

**U** J O Y A S  
INTERNATIONAL HOLDINGS LTD.  
(a company incorporated in Bermuda with limited liability)



ANNUAL REPORT **2021**



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This annual report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

# Corporate Information

BOARD OF DIRECTORS	:	Cheung Yin (Independent Non-Executive Chairman) Ong Chor Wei (Non-Independent Non-Executive Director and Deputy Chairman) Vincent Cheung Chun Wai (Executive Director and Chief Executive Officer) Francis Lee Fook Wah (Independent Non-Executive Director)
COMPANY SECRETARY	:	Gwendolyn Gn Jong Yuh, LLB (Hons)
DEPUTY COMPANY SECRETARY	:	Lui Mui Ching, BCom, CPA (Aust.), CPA
BERMUDA RESIDENT REPRESENTATIVE AND ASSISTANT SECRETARY	:	Ocorian Services (Bermuda) Limited Victoria Place 5 <sup>th</sup> Floor, 31 Victoria Street Hamilton HM10, Bermuda
AUDIT COMMITTEE	:	Cheung Yin (Chairman) Ong Chor Wei Francis Lee Fook Wah
NOMINATING COMMITTEE	:	Cheung Yin (Chairman) Ong Chor Wei Francis Lee Fook Wah
REMUNERATION COMMITTEE	:	Cheung Yin (Chairman) Ong Chor Wei Francis Lee Fook Wah
RISK MANAGEMENT COMMITTEE	:	Cheung Yin (Chairman) Francis Lee Fook Wah
REGISTERED OFFICE	:	Victoria Place 5 <sup>th</sup> Floor, 31 Victoria Street Hamilton HM10, Bermuda
PRINCIPAL PLACE OF BUSINESS	:	Rm 1415, Leighton Centre 77 Leighton Road Causeway Bay, Hong Kong Tel: (852) 2620 5298 Fax: (852) 2865 0012
COMPANY REGISTRATION NUMBER	:	38991
SINGAPORE SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632

## Corporate Information

BERMUDA PRINCIPAL REGISTRAR AND TRANSFER AGENT	:	Ocorian Services (Bermuda) Limited Victoria Place 5 <sup>th</sup> Floor, 31 Victoria Street Hamilton HM10, Bermuda
LEGAL ADVISORS TO THE COMPANY ON HONG KONG LAW	:	Vincent T. K. Cheung, Yap & Co. 4/F, VC House 4-6 On Lan Street Central, Hong Kong
AUDITORS	:	Baker Tilly TFW LLP Chartered Accountants of Singapore 600 North Bridge Road #05-01 Parkview Square Singapore 188778  Partner-in-charge: Ms. Guo Shuqi (Since financial year ended 31 December 2019)
LEGAL ADVISORS TO THE COMPANY ON BERMUDA LAW	:	Appleby Suites 4201-03 & 12, 42/F One Island East, Taikoo Place 18 Westlands Road Quarry Bay, Hong Kong
PRINCIPAL BANKERS	:	Bank of Communications (Hong Kong) Limited Unit B B/F & G/F, Unit C G/F, Wheelock House, 20 Pedder Street, Central, Hong Kong  CIMB Bank Berhad 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623  Bank J. Safra Sarasin Ltd, Hong Kong Branch 40/F Edinburgh Tower Central, Hong Kong
SPONSOR	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income At Raffles Singapore 049318

# Statement of the Chairman

On behalf of the Board of Directors (the “**Board**”), we are pleased to present to you the Annual Report of Joyas International Holdings Limited (“**Joyas Int’l**”, or the “**Company**”) for the financial year ended 31 December 2021 (“**FY2021**”).

In FY2021, Joyas Int’l and its subsidiaries (together the “**Group**”) recorded higher revenue of approximately HK\$3.4 million, increased by approximately HK\$1.6 million or 87.3% as compared with the financial year ended 31 December 2020 (“**FY2020**”). The increase was mainly attributed to: (a) increase in interest income from the financing business due to an increase in amount of loan disbursements in the People’s Republic of China (including Hong Kong) (the “**PRC** (including **HK**)”) during FY2021 compared to FY2020; (b) increase in loan referral services income and (c) increase in fair value gain on financial assets at fair value through profit or loss (“**FVTPL**”) in FY2021 following the Group’s expansion into the foreign exchange investment business through Topping Tact Limited.

## OUTLOOK

### Nickel ore

As at the date of this Annual Report, there is no material update since the last announcement dated 18 March 2022.

An update of the legal cause of action is set forth in Note 26 to the accompanying financial statements of the Group.

### Financing business

During FY2021, the Group’s financing business has been contributing to the Group’s revenue. The Group expects such contribution to remain for at least the next 6-12 months.

The management will continue to raise additional funds (by equity or debt or both) to expand the working capital base of the Group.

### Forex investment

As at 13 July 2021, the Group acquired 51% of the total issued and paid-up share capital of Topping Tact Limited (“**TTL**”). Please refer to the announcement in relation to the acquisition dated 13 July 2021 for details.

TTL is principally operating in the business of the forex investment.

With effect from 30 December 2021, the Group disposed 51% of the total issued and paid-up share capital of TTL for HK\$100,000 (equivalent to approximately S\$17,271 based on an exchange rate of S\$1: HK\$5.79 as at 26 January 2021). Please refer to the announcement in relation to the disposal dated 31 January 2022.

### Fintech and blockchain related services

On 18 January 2022, the Group, through its wholly-owned subsidiary, Asiapac Growth Holdings Limited (“**Asiapac**”), entered into a joint cooperation agreement (“**Joint Cooperation Agreement**”) with Splendid Powerful Limited (“**Splendid Powerful**”) in relation to a proposed joint co-operation as detailed below (the “**Proposed Joint Co-operation**”). Please refer to the announcement in relation to the Proposed Joint-cooperation dated 18 January 2022 for details.

Pursuant to the Joint Cooperation Agreement, a new entity, Meta Technology International Limited (“**Meta**”), will be incorporated in Hong Kong, with an issued share capital of HK\$10,000. Asiapac will own 60% of the issued share capital of Meta while Splendid Powerful will own the remaining 40% of the issued share capital of Meta.

The Proposed Joint Co-operation involves the setting up of Meta which will be engaged in the provision of fintech and blockchain related service.

There are no developments in the Joint Co-operation as of the date of this Annual report and the Company will provide updates when there are material developments. The Group is hopeful that the fintech and blockchain will provide a new revenue stream to the Group.

### Corporate Update

The Group is currently still in negotiation with several potential targets on an acquisition or cooperation opportunity. No definitive agreement has been reached as of to date other than as disclosed on 18 January 2022.

Previously, the Group generates revenue only from the financing business and has a limited working capital base. As a result, the Company may be deemed as a cash company pursuant to Catalyst Rule 1017 if it fails to demonstrate the sustainability and viability of the Group’s business by, amongst others, (i) improving the financial position of the Group by expanding its working capital base via equity and/or debt; and (ii) increasing the revenue stream of the Group. During FY2021, the Group expanded its working capital base via debt. In addition, the Group has expanded its revenue stream to include fintech and blockchain related services as announced on 18 January 2021.

The Company will update shareholders via SGXNET as and when there are any material developments on the above matters.

In late December 2019, the COVID-19 outbreak in the PRC (including HK) and other countries has led to public health and safety concerns and the implementation of certain policies by the governmental authorities to safeguard the health and safety for the general public and to limit the potential impact of the outbreak. At the same time, it has also resulted in significant slow down in economic activities worldwide.

As at to date, to the best knowledge and information of the management, we are not aware of any of our customers experiencing material adverse financial performance due to the outbreak. Nevertheless, the overall regional economy in the PRC (including HK) will remain challenging for the next 6 months. This in turn will affect the Group’s future development in the next reporting period and the next 12 months as potential or current customers may be financially affected by the COVID-19.

As of 31 December 2021, the Group has net assets of approximately HK\$10.2 million and net current assets of HK\$10.2 million, including cash and cash balances of approximately HK\$13.7 million. Cash flow forecast was prepared up to 30 June 2023 and it showed a net positive cash position as at 31 December 2022 and 30 June 2023. Based on the assumptions that there will be no collection problems in the Financing Business, the current customers are not financially affected by the COVID-19 in the next 12 months and the loans can be repayable on demand, the Company should have sufficient resources to meet its obligations for at least 12 months from the date of this annual report. The assumptions are considered to be reasonable based on the past track record.

## APPRECIATION

I would like to thank our fellow directors on the Board for their valued contributions. On behalf of the Board, I also wish to thank the management and staff for their dedication, commitment and contributions to the Group.

In addition, I would like to thank our valued customers, business partners and suppliers for their continuing support, patronage and guidance. I would like to express my appreciation to shareholders for their continued support of the Company.

Thank you.

**Cheung Yin**

Independent Non Executive Chairman

6 April 2022

## Financial Highlights

	2021 HK\$'000	2020 HK\$'000
<b>OPERATING RESULTS</b>		
Revenue	3,442	1,838
Loss before tax	(1,272)	(2,631)
Loss after tax	(1,417)	(2,582)
Net loss attributable to the equity holders of the Company	(1,603)	(2,450)
<b>EARNINGS PER SHARE (HK CENTS) –</b>		
Basic and diluted	(0.07)	(0.12)
<b>FINANCIAL POSITION</b>		
Total assets	32,492	20,620
Total bank and other debts	19,744	6,786
Shareholders' equity	10,155	11,629
Debt to equity ratio (times)	1.94	0.58
Cash and bank balances	13,668	3,696
<b>CASH FLOWS</b>		
Net cash used in operating activities	(7,087)	(2,503)
Cash and bank balances	13,668	3,696

# Financial and Operations Review

## OVERVIEW

Joyas International Holdings Limited and its subsidiaries (together the "Group") are principally engaged in financing and related business during the financial year. During FY2021, the Group also engaged in forex investment business and the business was disposed with effect from 30 December 2021.

## OPERATING RESULTS

### Statement of profit or loss and other comprehensive income

#### Revenue

The Group's revenue increased by approximately HK\$1.6 million or 87.3% from HK\$1.8 million in FY2020 to approximately HK\$3.4 million in FY2021.

The increase in revenue was mainly attributed to: (a) increase in interest income from the financing business due to an increase in amount of loan disbursements in the PRC (including HK) during FY2021 compared to FY2020; (b) increase in loan referral services income and (c) increase in fair value gain on financial assets at FVTPL in FY2021 following the Group's expansion into the foreign exchange investment business through Topping Tact Limited.

An analysis of sales of the Group's products to its principal markets, namely the Europe and the PRC (including HK) during the financial year under review is as follows:-

	Others			Financing Activities		
	FY2021 HK'000	FY2020 HK'000	Change %	FY2021 HK'000	FY2020 HK'000	Change %
USA	-	-	-	-	-	-
Europe	202	-	100.0	-	-	-
The PRC (including HK)	-	-	-	3,240	1,838	76.3
<b>Total turnover</b>	<b>202</b>	<b>-</b>	<b>100.0</b>	<b>3,240</b>	<b>1,838</b>	<b>76.3</b>

	FY2021		FY2020		Year-on-year % change
	HK\$'000	%	HK\$'000	%	
Revenue					
Financing Activities					
- interest income	2,790	81.0	1,548	84.2	80.2
- loan referral services income	450	13.1	290	15.8	55.2
Fair value gain on financial assets at FVTPL	202	5.9	-	-	100.0
	<b>3,442</b>	<b>100.0</b>	<b>1,838</b>	<b>100.0</b>	<b>87.3</b>

The Group operated in two principal market and has two principal business activity, namely financing business and others, in FY2021 and one principal business activity, namely financing business in FY2020.

#### Other income

Other income decreased by approximately HK\$679,000 or 90.3% from approximately HK\$752,000 in FY2020 to approximately HK\$73,000 in FY2021. This was mainly attributed to: (a) a decrease in exchange gain compare with FY2020 which was resulted from the movement in foreign currency exchange rate in relation to settlement of convertible bonds in FY2020 as the convertible bonds were denominated in S\$ and S\$ has weakened against HK\$ during the relevant period; (b) a decrease in government grant of approximately HK\$30,000; and (c) a decrease in sundry income of approximately HK\$128,000. The decrease was partially offset by: (a) the write back of Warrants of approximately HK\$35,000 which has expired in February 2021; and (b) gain on disposal of 51% equity interest in Topping Tact Limited.

#### Administrative expenses

Administrative expenses decreased by approximately HK\$28,000 or 0.7% from approximately HK\$3.96 million in FY2020 to approximately HK\$3.93 million in FY2021. This was mainly attributed to decrease in expenses incurred for the legal and professional fee of approximately HK\$80,000 due to less legal related work such as legal cause of action to recover all outstanding sums in connection with the deposit for the purchase of nickel ore from the Guarantors, as well as the charge of shares in a mining company. This was partially offset by an increase in guarantee fee of approximately HK\$60,000 paid in relation to the financing activities business.

#### Net impairment losses on trade and other receivables

Net impairment losses on trade and other receivables decreased by approximately HK\$587,000 or 66.3% from approximately HK\$885,000 in FY2020 to approximately HK\$298,000 in FY2021 due to decrease in impairment losses of loans and advances.

# Financial and Operations Review

## *Finance costs*

Finance costs increased by approximately HK\$181,000 or 48.0% from approximately HK\$377,000 in FY2020 to approximately HK\$558,000 in FY2021 due to higher borrowing costs to finance the loan and advance in financing activities. This was partially offset by decrease in convertible loan interest due to redemption of the convertible bonds in February 2020 which amounted to approximately HK\$227,000 in FY2020.

## *Loss before taxation*

As a result of the above, the Group had recorded a loss before taxation of approximately HK\$1.27 million (FY2020: approximately HK\$2.63 million).

## *Taxation*

Taxation of approximately HK\$145,000 was provided for Hong Kong subsidiaries in FY2021 (FY2020: taxation credit of approximately HK\$49,000). The provision in FY2021 included provision of taxation for the current year of approximately HK\$125,000 and under provision of taxation in previous year of approximately HK\$20,000. (FY2020: comprised of provision of taxation for FY2020 of HK\$17,000 and overprovision of HK\$66,000 in prior year).

## **Statement of Financial Position**

### *Current assets*

Current assets increased by approximately HK\$11.9 million from approximately HK\$20.6 million as at 31 December 2020 to approximately HK\$32.5 million as at 31 December 2021. This was mainly attributed to: (a) an increase in loan and advance of approximately HK\$2.0 million due to increase in loans and advances to customers; and (b) an increase in cash and bank balances of approximately HK\$10.0 million due mainly to: (i) repayment of loans and advances and (ii) proceeds from borrowings.

### *Current liabilities*

Current liabilities increased by approximately HK\$13.3 million from approximately HK\$9.0 million as at 31 December 2020 to approximately HK\$22.3 million as at 31 December 2021. The increase was mainly attributed to: (a) an increase in borrowings by approximately HK\$13.0 million to finance the working capital and the financing activities of the Group; and (b) an increase in trade and other payables by approximately HK\$546,000 due to the increase in other payables.

The increase was partially offset by a decrease in: (a) current tax liabilities due to the payment of tax expenses for financing activities; and (b) decrease in Warrants which had expired on 23 February 2021.

## **Liquidity and cash flow**

During FY2021, the Group's net cash used in operating activities was approximately HK\$7.1 million. This was mainly attributed to: (a) increase in trade and other receivables of approximately HK\$11.1 million; (b) loss before taxation from operations with adjustments for non-cash items of approximately HK\$665,000; and (c) decrease in trade and other payables of approximately HK\$1.6 million.

The Group's net cash generated from investing activities was approximately HK\$5,000. This was mainly attributed to: (a) net cash acquired for the acquisition of Topping Tact Limited of approximately HK\$43,000; and (b) net cash disposed for the disposal of Topping Tact Limited of approximately HK\$40,000.

The Group's net cash generated from financing activities was approximately HK\$7.1 million. This was mainly attributed to: (a) proceeds from other borrowings of approximately HK\$32.9 million to finance the working capital of the Group; and (b) repayment of other borrowings of approximately HK\$25.1 million; (c) increase in pledged bank deposits of approximately HK\$8.3 million, and (d) increase in bank borrowing for approximately HK\$9.7 million to finance the working capital of the Group.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK\$3,000.

As at 31 December 2021, the Group had cash and cash balance of HK\$13.7 million (31 December 2020: HK\$3.7 million) and unutilised banking facilities of approximately HK\$990,000 (31 December 2020: HK\$781,000).



# Board of Directors

**Cheung Yin**, Independent Non-Executive Chairman, was appointed as an Independent Non-Executive Director to the Board on 18 January 2021. Ms Cheung was last re-elected to the Board on 28 April 2021. She was appointed the Chairman of the Board on 30 April 2021. Ms Cheung is currently a Chief Financial Officer of LWH Advisory Limited, a company incorporated in Macau which is principally engaged in provision of various financial services. Ms Cheung is also an independent non-executive director of Prosperous Printing Company Limited (Stock Code: 8385), which is listed on the Growth Enterprise Market of the SEHK. Ms. Cheung worked for Coastal Greenland Limited which is listed on the main board of the SEHK as a qualified accountant for the period from April 2004 to June 2007 and senior accounting manager/accounting manager for the period from September 1995 to March 2004. She has over 28 years of experience in accounting, auditing and financial management. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of the CPA Australia. Ms. Cheung obtained a master's degree in Business Administration from the University of Wales, Newport in the United Kingdom in December 2009 and a Bachelor's degree in Business (Accountancy) from the Charles Sturt University in Australia in April 1991.

Ms. Cheung is due for re-election as a Director at the forthcoming Annual General Meeting of the Company ("AGM").

**Vincent Cheung Chun Wai** Executive Director and Chief Executive Officer was appointed to the Board on 30 April 2021. Mr. Cheung handles the general management of the Group and its financing business. He is also the assistant vice president of CCI Financial Services Limited, a 70% indirectly owned and principal operating subsidiary of the Group from 2016. Prior to this, he was the assistant to Chairman of CCI Credit Limited from 2015 to 2016 and assistant general manager of AEON Credit Service (Asia) Co. Limited from 2006 to 2015. He holds a Certificate of Accredited Mediator awarded by Hong Kong Mediation Centre, Certificate awarded by Hong Kong Mediation Accreditation Association Limited (HKMAAL), Certified Workplace Mediator CWPM 1099 awarded by International Dispute Resolution & Risk Management Institute (IDRMI), Certificate awarded by Mediator Assessor Training Programme by CEDR and Degree in Master of Business Administration in Executive Management awarded by Royal Roads University Canada.

Mr. Cheung is due for re-election as a Director at the forthcoming AGM.

**Francis Lee Fook Wah**, Independent Non-Executive Director, was appointed to the Board on 30 April 2021. He is member of the Audit, Remuneration and Nominating Committees.

Mr Lee began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department, where he served as a senior investigation officer until 1993. Between 1993 and 1994, he joined OCBC Bank as an assistant manager. Between 1994 and 2001, he worked at Deutsche Morgan Grenfell Securities as a dealer's representative. He served at the Singapore branch of the Bank of China between 2001 and 2004 as an assistant manager. Between 2004 and 2005, he worked at AP Oil International Ltd as an investment and project manager. Between 2007 and 2011, he was the finance director of Man Wah Holdings Limited, a company listed on the Hong Kong Stock Exchange. Between 2005 to 2007, he was the Chief Financial Officer of Man Wah Holdings Limited. He also served as a Non-Independent Non-Executive Director of Man Wah Holdings Ltd between January 2011 and February 2012.

He was the Chief Financial Officer of OKH Global Ltd from March 2015 until December 2017. Mr Lee is currently the Chief Financial Officer and Executive Director for Vibrant Group Ltd, a company listed on the Main Board of the Singapore Stock Exchange.

He is a director of his own investment firm, Wise Alliance Investments Ltd. and an Independent Director of Asiaphos Limited and Net Pacific Financial Holdings Limited, a company listed on SGX-ST. Mr Lee is also a Non-Independent Non-Executive Director of Figtree Holdings Limited, a company listed on SGX-ST.

He was also an Independent Director of Sheng Siong Group Limited and Metech International Limited, a company listed on SGX-ST.

Mr Lee graduated from the National University of Singapore with a Bachelor of Business Administration (Accountancy) in 1990 and obtained a Master of Business Administration (Investment and Finance) from the University of Hull in 1993. He is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants. Mr Lee is also a member of the Singapore Institute of Directors.

Mr. Lee is due for re-election as a Director at the forthcoming AGM.

**Ong Chor Wei**, Non-Independent Non-Executive Director and Deputy Chairman, was appointed to the Board on 21 December 2007. Mr Ong was last re-elected to the Board on 28 April 2021. Mr Ong is currently an executive director and Chief Executive Officer of Net Pacific Financial Holdings Limited (a company listed on the SGX-ST). Mr. Ong is also a non-executive director of GBA Holdings Limited (Stock Code: 261). Mr. Ong is also an independent non-executive director of Nameson Holdings Limited (Stock Code: 1982), Denox Environmental & Technology Holdings Limited (Stock Code: 1452) and Smart Globe Holdings Limited (Stock Code: 1481, previously 8485), all of which are listed on the SEHK. Previously, Mr Ong was an independent non-executive director of O-Net Technologies (Group) Limited (Stock Code 877) from 2010 to 2020 and Man Wah Holdings Limited (Stock Code: 1999) from 2010 to 2022, both of which are listed on the SEHK. Mr Ong was also a non-executive director of Prosperous Printing Company Limited (Stock Code: 8385) (2016 to 2020), Hong Wei (Asia) Holdings Company Limited (Stock Code: 8191) (2013 to 2016), both companies are listed on the Growth Enterprise Market of the SEHK, and Vico International Holdings Limited (Stock Code: 1621) (2017 to 2019), a company listed on the SEHK. Mr Ong was also an executive director on a part-time basis of Zibao Metals Recycling Holdings Plc (a company trading on AIM, a market operated by the London Stock Exchange Plc) from 2014 to 2019.

Mr Ong has over 31 years of experience in finance and accounting. He holds a Bachelor of Laws degree from The London School of Economics and Political Science, University of London. He also holds a distance learning degree in Masters in Business Administration jointly awarded by The University of Wales and The University of Manchester. Mr Ong is an associate member of The Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

## Executive Officer

**Lui Mui Ching**, Accounting Manager and Deputy Company Secretary joined the group in September 2006. Ms. Lui is responsible for the overall accounting and financial reporting matters of the Group, including financial accounting, management accounting, budgeting and forecasting, statutory reporting of the Group companies, internal controls and tax planning and as the Company Secretary, she is also responsible for the compliance affairs of the Group. Prior to joining the Group, she worked as an accountant in various companies in different industrial sections. She was the accountant for a listed company, listed on the Growth Enterprise Market of the SEHK, between 2004 and 2006 and a publishing company between 1995 and 2003. Ms. Lui holds a Bachelor of Commerce (Major in Accounting) from Curtin University of Technology, Western Australia, 1994, and has been a member of CPA Australia since 1996. She is also a member of the Hong Kong Institute of Certified Public Accountants.

None of the Executive Officer are related to each other, the directors and/or the substantial shareholders of the Company.

# Report of the Directors

The directors submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2021.

## Names of directors

The directors of the Company in office at the date of this report are:

### Executive directors:

Vincent Cheung Chun Wai (Appointed on 30 April 2021)

### Non-Executive directors:

Ong Chor Wei

### Independent Non-Executive directors:

Cheung Yin (Appointed on 18 January 2021)

Francis Lee Fook Wah (Appointed on 30 April 2021)

In accordance with Bye-Law 104 of the Bye-Laws of the Company, Ms Cheung Yin, will retire at the forthcoming Annual General Meeting and, being eligible, offers herself for re-election.

In accordance with Bye-Law 107(A) of the Bye-laws of the Company, Mr. Francis Lee Fook Wah and Mr. Vincent Cheung Chun Wai will retire at the forthcoming AGM and, being eligible, offers themselves for re-election.

## Arrangements to enable directors to acquire shares and debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or of any other corporate body, other than as disclosed in this report.

## Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' Shareholdings kept by the Company, none of the directors who held office at the end of the financial year had any interest in the shares, debentures, warrants or options of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2021 or date of appointment, if later	As at 31.12.2021	As at 1.1.2021 or date of appointment, if later	As at 31.12.2021
The Company				
Francis Lee Fook Wah	5,597,346	<b>5,597,346</b>	–	–
Ong Chor Wei <sup>(1)</sup>	5,600,000 <sup>(2)</sup>	<b>5,600,000<sup>(2)</sup></b>	560,000,000 <sup>(2)(3)</sup>	<b>560,000,000<sup>(2)(3)</sup></b>

### Notes:

- (1) Ong Chor Wei ("Mr. Ong"), Non-Independent Non-Executive Director and Deputy Chairman of the Company, holds 50% interest in Uprich Holdings Limited, a BVI investment holding company and holds 15.4% interest in Joyas Investments Group Limited. The remaining 50% interest in Uprich Holdings Limited is held by Mr Wong Wai Shan ("Mr. Wong"). Both Mr Ong and Mr Wong are also directors of Uprich Holdings Limited. Mr Ong and Mr Wong are not related to each other or other directors of the Company. Uprich Holdings Limited became a shareholder of Joyas Investments Group Limited on 30 March 2007.
- (2) As at 31 December 2021, Mr. Ong holds 5,600,000 shares in the capital of the Company through his nominee, Bank J. Safra Sarasin Ltd, Hong Kong Branch.
- (3) Mr. Ong is a director and holds a 100% shareholding interest in Delton Group Limited, a controlling shareholder of Reach Win Limited. Accordingly, he is deemed to be interested in the 560,000,000 (2019 - 560,000,000) shares in the Company held by Reach Win Limited.

Except as disclosed in this report, no director who held office at the end of the financial year had interests, direct or deemed, in shares, convertible securities, share options, warrants or debentures of the Company, or of any related corporations, either at the beginning or at the end of the financial year.

The directors' interests in the ordinary shares and share options of the Company as at 21 January 2022 were the same as at 31 December 2021.

## Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

## Joyas Share Option Scheme 2007

The Company had in place a share option scheme (the "Joyas Share Option Scheme 2007") which was adopted at a special general meeting of the Company held on 21 December 2007. The duration of the Joyas Share Option Scheme 2007 was 10 years from the date that it was adopted and had accordingly expired and lapsed on 21 December 2017.

## Share Option Scheme

The Scheme was administered by the Remuneration Committee which comprises Ms Cheung Yin, Mr Ong Chor Wei and Mr. Francis Lee Fook Wah.

## Report of the Directors

**Share options granted**

Since the commencement of Joyas Share Option Scheme 2007 on 21 December 2007, 41,000,000 share options have been granted by the Company. Participants under the Joyas Share Option Scheme 2007 are set out as follows:

Name of participant	Options granted during financial year under review (including terms)	Aggregate options granted Since commencement of Scheme to end of FY2021	Aggregate options exercised since commencement of Scheme to end of FY2021	Aggregate options lapsed since commencement of Scheme to end of FY2021	Aggregate options outstanding as at end of FY2021
Ong Chor Wei (Non-Executive Director)	Nil	3,000,000	Nil	(3,000,000)	Nil
Kwok Chin Phang (Non-Executive Director)	Nil	19,000,000	Nil	(19,000,000)	Nil
Lim Siang Kai (Independent Non-Executive Director)	Nil	9,500,000	Nil	(9,500,000)	Nil
Cheung King Kwok (Independent Non-Executive Director)	Nil	9,500,000	Nil	(9,500,000)	Nil
	Nil	41,000,000	Nil	(41,000,000)	Nil

The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company in the Group.

Note: 9,000,000 options which were granted in 25 May 2015 and 32,000,000 options which were granted in 19 August 2016 have expired and lapsed in 24 May 2020 and 18 August 2021 respectively.

Other than the options granted to the controlling shareholders and their associates (as defined in the Catalyst Rules) as disclosed above, no options have been granted since 19 August 2016 to the end of the financial year to the Group's employees. No individual has received 5% or more of the total number of options available under the Scheme. No options were granted at a discount since the commencement of the Scheme on 21 December 2007 to the end of the financial year.

No options to take up unissued shares of the subsidiaries have been granted during the financial year. There were no unissued shares of subsidiaries under option as at 31 December 2021.

No shares were issued during the financial year to which this statement relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

**Joyas Share Option Scheme 2018**

Since Joyas Share Option Scheme 2007 had expired, the Company adopted a new scheme known as the Joyas Share Option Scheme at a special general meeting of the Company held on 26 April 2018 (the "**2018 Scheme**"). The 2018 Scheme will continue to be in force at the discretion of the Remuneration Committee subject to a maximum period of 10 years, commencing on the date on which the Scheme was adopted.

The 2018 Scheme seeks to attract, retain and provide incentives to participants to encourage greater dedication and loyalty by enabling the Company to provide recognition for past contributions and services. The Company believes that this, in turn, will help to motivate participants generally to contribute towards the Company's long-term success. Save for Joyas Share Option Scheme 2007 which has expired, the Company did not and currently does not have any other share option or share scheme in force. No share options has been granted under the 2018 Scheme which is administered by the Remuneration Committee.

The 2018 Scheme allows participation of controlling shareholders and associates of controlling shareholders as the Company acknowledges that the contributions and services of employees who are controlling shareholders and employees who are associates of controlling shareholders are equally important to the Company's long-term success. Rule 852 of the Catalyst Rules states that the participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer, and a separate resolution must be passed for each person and to approve the actual number and terms of options granted to that participant. In light of Rule 852 of the Catalyst Rule, the Board will update the shareholders each time a resolution is passed to grant options to the participants of the 2018 Scheme. As a safeguard, the controlling Shareholders and associates of controlling shareholders will abstain from voting on any resolution in relation to their participation in the 2018 Scheme.

# Report of the Directors

## Audit committee

The Audit Committee during the financial year and at the date of this report comprises the following members:

Cheung Yin (Chairman) (Appointed on 18 January 2021)

Ong Chor Wei

Francis Lee Fook Wah (Appointed on 30 April 2021)

The Audit Committee performs the functions specified in the Catalist Rules and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

- (i) reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance before their submission to the Board;
- (ii) reviewing and reporting to the Board at least annually the overall adequacy and effectiveness of the Group's material internal controls, including accounting, financial, operational, compliance and information technology controls, and risk management;
- (iii) reviewing at least annually the adequacy and effectiveness of the Company's internal audit function where applicable; Please refer to Principal 9 of the Corporate Governance report for explanations on the internal audit conducted in FY2021;
- (iv) reviewing the assurances from the Chief Executive Officer and the Accounting Manager on the financial records and financial statements;
- (v) met with the external auditor, other committees, and management in separate executive sessions to reviewing the audit plans of the Company's external auditors, the results of their examination, their evaluation of the system of internal accounting control and audit cost effectiveness;
- (vi) reviewing the co-operation given by the Group's officers to the Company's external auditors;
- (vii) nominating or recommending the nomination of the Company's external auditors and internal auditors for appointment, re-appointment or removal;
- (viii) approving the remuneration and terms of engagement of the Company's external auditors and internal auditors;
- (ix) reviewing the adequacy, effectiveness, independence, scope and results of the Company's external auditors and internal auditors;
- (x) reviewing the independence and objectivity of the Company's external auditors at least annually; and
- (xi) reviewing interested person transactions.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee has recommended to the Board the re-appointment of the Company, Baker Tilly TFW LLP, Public Accountants and Chartered Accountants, Singapore as the Company's external auditors at the forthcoming annual general meeting.

Full details regarding the Audit Committee are provided in the Corporate Governance Report.

In appointing our auditor for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

## Independent auditor

The independent auditor, Baker Tilly TFW LLP has expressed its willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....  
Vincent Cheung Chun Wai  
Director

.....  
Ong Chor Wei  
Director

Dated: 6 April 2022

## Statement by the Directors

We, Vincent Cheung Chun Wai and Ong Chor Wei, being two of the directors of Joyas International Holdings Limited, do hereby state that, in the opinion of the directors,

- (i) the accompanying consolidated statement of financial position of the Group and statement of financial position of the Company and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group together with the notes thereto, are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2021, and of the Group's financial performance, changes in equity and cash flows for the financial year then ended in accordance with International Financial Reporting Standards; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay off its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue on 6 April 2022.

ON BEHALF OF THE DIRECTORS

.....  
Vincent Cheung Chun Wai  
Director

.....  
Ong Chor Wei  
Director

# Independent Auditor's Report

to the shareholders of Joyas International Holdings Limited  
(incorporated in Bermuda with limited liability)

## Report on the Audit of the Financial Statements

### Disclaimer of Opinion

We were engaged to audit the financial statements of Joyas International Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 16 to 57, which comprise the consolidated statement of financial position of the Group and of the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

- (i) Deposits paid to a supplier, trade payable owing to the supplier and amounts due to related parties

As disclosed in Note 6 and Note 12 to the financial statements, deposits of HK\$24,377,000 paid and trade payable of HK\$10,531,000 owing to a supplier, which is a related party by virtue of a director and shareholder of the supplier being a former key management personnel of the Group (the "KMP") were fully impaired and fully written back respectively to profit or loss during the financial year ended 31 December 2019. In addition, during the financial year ended 31 December 2019, the Group wrote back amounts of HK\$5,673,000 due to related parties, which comprised the KMP and an entity in which the KMP is also a shareholder of the entity.

In our current year's audit, we were unable to satisfactorily perform confirmation procedures to satisfy ourselves that the gross amounts of the deposits paid of HK\$24,299,000 (2020: HK\$24,377,000) and trade payables owing to the supplier of HK\$10,531,000 (2020: HK\$10,531,000), before the impairment and write back respectively, were fairly stated. Consequently, we were unable to obtain sufficient appropriate evidence on the accumulated impairment loss on deposits paid of HK\$24,299,000 (2020: HK\$24,377,000) and accumulated write back of trade payables of HK\$10,531,000 (2020: HK\$10,531,000). We were also unable to obtain sufficient appropriate evidence on the accumulated write back of amounts due to related parties of HK\$5,673,000 (2020: HK\$5,673,000).

In view of the matters described above, we were unable to determine whether any adjustments might be necessary to the consolidated financial statements for the financial year ended 31 December 2021.

The auditor's report of the Group for the financial year ended 31 December 2020 included a similar basis for disclaimer on this matter.

- (ii) Unaudited financial information, impairment of investment in associate and amount due from an associate

As disclosed in Note 3 to the financial statements, the Group had fully impaired its investment in associate and recorded an impairment loss of HK\$3,355,000 during the financial year ended 31 December 2019.

As disclosed in Note 6 to the financial statements, the Group recorded a gross amount due from associate of HK\$10,672,000 which was fully impaired during the financial year ended 31 December 2019.

The financial statements of the associate for the financial year ended 31 December 2021 were unaudited and we were unable to obtain sufficient appropriate audit evidence about the financial information of the associate for the financial year ended 31 December 2021. Accordingly, we were unable to obtain reasonable assurance that the recorded gross investment in associate of HK\$3,355,000 and the corresponding accumulated impairment loss of HK\$3,355,000, and the amount due from associate of HK\$10,672,000 and accumulated impairment loss on amount due from associate of HK\$10,672,000 as at 31 December 2021 are not materially misstated in the consolidated financial statements of the Group.

The auditor's report of the Group for the financial year ended 31 December 2020 included a similar basis for disclaimer on this matter.

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.

# Independent Auditor's Report

*to the shareholders of Joyas International Holdings Limited  
(incorporated in Bermuda with limited liability)*

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the consolidated financial statements and statement of financial position of the Company in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

The engagement partner on the audit resulting in this independent auditor's report is Ms Guo Shuqi.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

6 April 2022



# Consolidated Statement of Financial Position

At 31 December 2021

	Note	The Group	
		31 December 2021 HK\$'000	31 December 2020 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in an associated company	3	–	–
Property, plant and equipment	4	–	–
		–	–
<b>Current assets</b>			
Trade and other receivables	6	18,824	16,924
Cash and bank balances	7	13,668	3,696
		32,492	20,620
<b>Total assets</b>		<b>32,492</b>	<b>20,620</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	8	22,139	22,139
Accumulated losses		(123,097)	(121,825)
Other reserves	9	111,239	111,570
Attributable to owners of the Company		10,281	11,884
<b>Non-controlling interests</b>	5	(126)	(255)
<b>Total equity</b>		<b>10,155</b>	<b>11,629</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	2,478	1,932
Borrowings	13	19,744	6,786
Convertible bonds	10	–	–
Current tax liabilities		115	238
Warrants	11	–	35
<b>Total liabilities</b>		<b>22,337</b>	<b>8,991</b>
<b>Total equity and liabilities</b>		<b>32,492</b>	<b>20,620</b>

The accompanying notes form an integral part of these financial statements.

## Statement of Financial Position

At 31 December 2021

		The Company	
	Note	31 December 2021 HK\$'000	31 December 2020 HK\$'000
<b>Assets</b>			
<b>Non-current asset</b>			
Investment in subsidiaries	5	8	8
<b>Current assets</b>			
Trade and other receivables	6	15,887	15,734
Cash and bank balances	7	306	107
		<b>16,193</b>	15,841
<b>Total assets</b>		<b>16,201</b>	15,849
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	8	22,139	22,139
Accumulated losses		(147,582)	(145,342)
Other reserves	9	128,724	129,055
<b>Total equity</b>		<b>3,281</b>	5,852
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	12,920	9,962
Convertible bonds	10	–	–
Warrants	11	–	35
<b>Total liabilities</b>		<b>12,920</b>	9,997
<b>Total equity and liabilities</b>		<b>16,201</b>	15,849

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Profit or Loss and other Comprehensive Income

For the financial year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Revenue	14	3,442	1,838
Other income	15	73	752
Administrative expenses		(3,931)	(3,959)
Net impairment losses on trade and other receivables		(298)	(885)
Finance costs	16	(558)	(377)
Loss before taxation	17	(1,272)	(2,631)
Taxation	18	(145)	49
<b>Loss and total comprehensive loss for the financial year</b>		<b>(1,417)</b>	<b>(2,582)</b>
<b>(Loss)/profit and total comprehensive (loss)/profit attributable to:</b>			
Equity holders of the Company		(1,603)	(2,450)
Non-controlling interests		186	(132)
		<b>(1,417)</b>	<b>(2,582)</b>
		<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share for loss attributable to equity holders</b>			
- Basic and diluted	20	(0.07)	(0.12)

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company									Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Capital contribution reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
Balance at 1 January 2020	19,139	51,180	52,677	2,973	5,306	191	(122,017)	9,449	(123)	9,326
<b>Loss for the financial year</b>	-	-	-	-	-	-	(2,450)	(2,450)	(132)	(2,582)
<b>Total comprehensive loss for the financial year</b>	-	-	-	-	-	-	(2,450)	(2,450)	(132)	(2,582)
<b>Contributions by and distributions to equity holders</b>										
- Issue of shares (Note 8)	3,000	2,094	-	-	-	-	-	5,094	-	5,094
- Share issue expenses (Note 9)	-	(209)	-	-	-	-	-	(209)	-	(209)
- Transfer of share option reserve after vesting date	-	-	-	(2,642)	-	-	2,642	-	-	-
<b>Total transactions with equity holders, recognised directly in equity</b>	3,000	1,885	-	(2,642)	-	-	2,642	4,885	-	4,885
<b>Balance at 31 December 2020</b>	22,139	53,065	52,677	331	5,306	191	(121,825)	11,884	(255)	11,629

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Capital contribution reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2021	22,139	53,065	52,677	331	5,306	191	(121,825)	11,884	(255)	11,629
<b>Loss for the financial year</b>	-	-	-	-	-	-	(1,603)	(1,603)	186	(1,417)
<b>Total comprehensive (loss)/income for the financial year</b>	-	-	-	-	-	-	(1,603)	(1,603)	186	(1,417)
<b>Contributions by and distributions to equity holders</b>										
- Acquisition of a subsidiary (Note 5)	-	-	-	-	-	-	-	-	(19)	(19)
- Disposal of a subsidiary (Note 5)	-	-	-	-	-	-	-	-	(38)	(38)
- Transfer of share option reserve after vesting date	-	-	-	(331)	-	-	331	-	-	-
<b>Total transactions with equity holders, recognised directly in equity</b>	-	-	-	(331)	-	-	331	-	(57)	(57)
<b>Balance at 31 December 2021</b>	<b>22,139</b>	<b>53,065</b>	<b>52,677</b>	<b>-</b>	<b>5,306</b>	<b>191</b>	<b>(123,097)</b>	<b>10,281</b>	<b>(126)</b>	<b>10,155</b>

The accompanying notes form an integral part of these financial statements.

## Consolidated Statement of Cash Flows

For the financial year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(1,272)	(2,631)
Adjustments for:			
Depreciation of property, plant and equipment	4	–	1
Fair value gain on financial assets at fair value	14	(202)	–
Gain on disposal of a subsidiary	15	(36)	–
Interest expense	16	558	377
Interest income	15	(2)	(9)
Net impairment loss on trade and other receivables	17	298	885
Write back of warrants	15	(35)	–
Foreign exchange loss/(gain)		26	(604)
Operating loss before working capital changes		(665)	(1,981)
Changes in financial assets at fair value through profit or loss		8,538	–
Changes in trade and other receivables		(11,073)	(298)
Changes in loan and advances		(2,000)	–
Changes in trade and other payables		(1,620)	(157)
Cash used in operations		(6,820)	(2,436)
Income tax paid		(267)	(67)
Net cash used in operating activities		(7,087)	(2,503)
<b>Cash flows from investing activities</b>			
Acquisition of a subsidiary, net of cash acquired	5	43	–
Disposal of a subsidiary, net of cash disposed	5	(40)	–
Interest received	15	2	9
Net cash generated from investing activities		5	9
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares		–	5,094
Share issue expenses		–	(209)
Interest paid on convertible bonds (Note A)	10	–	(1,365)
Interest paid (Note A)		(443)	(103)
Repayment of borrowings (Note A)		(25,060)	(120)
Proceeds from borrowing (Note A)		32,870	5,000
Repayment of bank loan (Note A)		–	(3,535)
Proceeds from bank loan (Note A)		–	4,494
Proceeds from bank overdraft (Note A)		9,713	–
Redemption of convertible bonds (Note A)	10	–	(19,506)
Funds placed in non-liquid deposits		(1,733)	–
(Increase)/decrease in pledged bank deposits		(8,268)	3,557
Net cash generated from/(used in) financing activities		7,079	(6,693)
Net decrease in cash and cash equivalents		(3)	(9,187)
Cash and cash equivalents at beginning of the financial year		1,936	11,123
Cash and cash equivalents at end of the financial year	7	1,933	1,936

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2021

Note A:

## Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

	Balance at 31 December 2020 HK\$'000	Cash flow- Proceeds from loans HK\$'000	Cash flow- Repayment of principal and interest HK\$'000	Non-cash changes			Foreign exchange difference HK\$'000	Balance at 31 December 2021 HK\$'000
				Acquisition of subsidiary HK\$'000	Disposal of subsidiary HK\$'000	Interest expense HK\$'000		
Bank overdraft	-	9,713	-	-	-	37	-	9,750
Other borrowings	5,807	32,870	(25,503)	7,801	(12,481)	507	-	9,001
Bank loan	979	-	-	-	-	14	-	993

	Balance at 31 December 2019 HK\$'000	Cash flow- Proceeds from loans HK\$'000	Cash flow- Repayment of principal and interest HK\$'000	Non-cash changes			Foreign exchange difference HK\$'000	Balance at 31 December 2020 HK\$'000
				Acquisition of subsidiary HK\$'000	Disposal of subsidiary HK\$'000	Interest expense HK\$'000		
Convertible bonds	21,460	-	(20,871)	-	-	227	(816)	-
Other borrowings	900	5,000	(214)	-	-	121	-	5,807
Bank loan	-	4,494	(3,544)	-	-	29	-	979

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 1 General information

Joyas International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 4 October 2006. The registered office of the Company is located at Victoria Place 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and its principal place of business is located at Rm 1415, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong. The Company’s shares have been listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 13 March 2008. On 5 May 2016, the listing of the Company’s shares was transferred from the Main Board to Catalist of the SGX-ST.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. The directors consider the ultimate holding company to be Joyas Investment Group Limited, a company incorporated in the British Virgin Islands (the “BVI”).

The financial statements are presented in Hong Kong Dollar (“HK\$”), which is the Company’s functional currency and all financial information presented in Hong Kong Dollar are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

The consolidated financial statements of the Group and the statement of financial position of the Company for the year ended 31 December 2021 were approved for issue by the board of directors on 6 April 2022.

## 2(a) Going concern

The Group recognised a net loss of HK\$1,417,000 and net cash used in operating activities of HK\$7,807,000 for the financial year ended 31 December 2021. The Group’s net assets as at 31 December 2021 were HK\$10,155,000. Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of preparation of these financial statements remain appropriate.

The appropriateness of the going concern basis of accounting is dependent on continued availability of borrowings and the cash flows generated from the financing business. As at the date of authorisation of these financial statements, the directors are satisfied that the Group had sufficient headroom on its borrowing facilities, interest income from the Group’s financing business will be received timely and the Group’s loans and advances are recoverable. In addition, the Group’s operating expenses are mainly overhead costs which are relatively limited.

Based on the above factors, the financial statements have been prepared on a going concern basis.

## 2(b) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) including interpretations promulgated by the International Financial Reporting Interpretations Committee (“IFRIC”) issued by the International Accounting Standards Board (“IASB”). The financial statements also include the applicable disclosure requirements of the Listing Manual Section B: Rules of the Catalist (the “Catalist Rules”) of the SGX-ST.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under historical cost convention except as disclosed in the accounting policies below.

Accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

### **Significant accounting estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The significant accounting estimates and assumptions used and areas involving a significant judgement are described below:

### **Significant accounting estimates and assumptions used in applying accounting policies**

#### Loss allowance on loans and advances

The Group has loans and advances with a carrying value of HK\$17,880,000 (2020 - HK\$16,256,000) as at 31 December 2021. The Group assesses whether or not there is an impairment of loans and advances by conducting credit assessment on a loan-by-loan basis. The Group assessed the probability of default and loss given default of each loan. In making their judgements, the Group considers the financial capabilities of the borrowers of the loan granted which includes assessing the credit portfolio of the borrowers and the assessment of the loan to security ratio.

When measuring estimated credit loss (“ECL”), the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical loss rates, assumptions and expectations of future conditions.

As the calculation of loss allowance on loans and advances is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of loans and advances.

If the financial conditions of borrowers were to deteriorate, resulting in increased probability of default, allowances for impairment may be required.

Details of ECL measurement and carrying value of loans and advances at reporting date are disclosed in Note 24 and Note 6.



# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(b) Basis of preparation (Cont'd)

### **Significant accounting estimates and assumptions used in applying accounting policies (Cont'd)**

#### Impairment of amounts due from subsidiaries and associate and calculation of loss allowance

Determining whether amounts due from subsidiaries and associate are impaired requires an estimation of the amounts and timing of future cash flows based on historical loss experience for assets with similar credit risk.

At the reporting date, the carrying amounts of amounts due from subsidiaries (non-trade) and associate are HK\$15,699,000 and HK\$Nil (2020 - HK\$15,699,000 and HK\$Nil) for the financial year ended 31 December 2021 respectively. Management has evaluated ECL of the amounts using reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL.

Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As the calculation of loss allowance on amounts due from subsidiaries and associate is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of amounts due from subsidiaries and associate.

## 2(c) Interpretations and amendments to published standards effective in 2021

#### *New and revised standards that are adopted*

In the current financial year, the Group has adopted all the new and revised IFRS and Interpretations of IFRS ("IFRIC") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs and IFRICs.

The adoption of these new and revised IFRSs and IFRICs did not have a material effect on the financial results or position of the Group and the Company.

#### *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2021 have not been applied in preparing these financial statements. None of these are expected to have significant effect on the financial statements of the Group and the Company.

## 2(d) Summary of significant accounting policies

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transaction, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other components of non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(d) Summary of significant accounting policies (Cont'd)

### Basis of consolidation (Cont'd)

When a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific IFRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment loss, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary and associated company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment loss, if any. Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associated companies. The Group determines at the end of each reporting period whether there is objective evidence that the investments in associated companies is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

In the Company's financial statements, investments in associates are carried at cost less accumulated impairment loss. On disposal of investment in associates, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(d) Summary of significant accounting policies (Cont'd)

### Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line method to allocate the depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Leasehold improvements	5 years
Tools and equipment	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

### Financial assets

#### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

#### Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Subsequent measurement

##### Debt instruments

Debt instruments include cash and cash equivalents and trade and other receivables (excluding prepayments). The subsequent measurement categories, depending on the Group's business model for managing the asset and cash flow characteristics of the asset:

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(d) Summary of significant accounting policies (Cont'd)

### Financial assets (Cont'd)

#### *Amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

#### *Fair value through profit or loss ("FVTPL")*

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income ("FVOCI") are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises and presented in "Revenue".

#### Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

#### Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value and excludes pledged deposits.

### Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share premium account.

### Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(d) Summary of significant accounting policies (Cont'd)

### Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

### Borrowings

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

### Convertible bonds

Convertible bonds issued by the Group that contain underlying liability, call option and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, the conversion option derivative and call option derivative are recognised at fair value. The call option is accounted for as a single compound embedded derivative together with the conversion option derivative. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as liability.

In subsequent periods, the liability component of the convertible loans is carried at amortised cost using the effective interest method, until extinguished on conversion or maturity. The single compound embedded derivative is measured at fair value with changes in fair value recognised in profit or loss.

When the convertible bonds are converted, the carrying amount of the liability portion together with the fair value of the single compound embedded derivative at the time of conversion are transferred to share capital and share premium as consideration for the shares issued. When the convertible bonds are redeemed, difference between the redemption amount and the carrying amounts of both components is recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and single compound embedded derivative components in proportion to the allocation of the proceeds. Transaction costs relating to the single compound embedded derivative is recognised in profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loans using the effective interest method.

### Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

### Other financial liabilities

These are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Where the Group is the lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of time pattern in which economic benefits from lease assets are consumed.

The Group recognised a right-of-use asset and a corresponding lease liability at the date which the underlying asset is available for use. The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(d) Summary of significant accounting policies (Cont'd)

### Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

### Employee benefits

#### Retirement benefit contributions

Payment to Mandatory Provident Fund Scheme (the "MPF Scheme") is recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds. The Group's contributions to the scheme are expensed as incurred and vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

#### Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

#### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

### Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(d) Summary of significant accounting policies (Cont'd)

### Impairment of non-financial assets

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

### Revenue recognition

Loan interest income which is recognised on time-proportion basis using effective interest method. Revenue from loan referral service is recognised at a point in time upon service rendered.

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

### Finance income and finance costs

Finance income comprises interest income on fixed deposits.

Finance costs comprise interest expense on borrowings.

### Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

### Functional currencies

#### Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements of the Group and the Company are presented in Hong Kong Dollar, which is also the functional currency of the Company.

#### Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 2(d) Summary of significant accounting policies (Cont'd)

### Functional currencies (Cont'd)

#### Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the end of the reporting period;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

### Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines.

The Group has identified the following reportable segments:

- (a) Nickel ore
- (b) Financing activities
- (c) Others

Each of these operating segments is managed separately as each of the product lines requires different resources as well as marketing approaches.

The measurement policies the Group used for reporting segment results under IFRS 8 are the same as those used in its financial statements prepared under IFRSs, except finance costs, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily includes receivables recorded on the statement of financial position of the Company and cash and cash equivalents of the Group.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily includes borrowings.

### Share-based payments

Employees of the Group and other parties providing services to the Group may receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees and other parties is measured by reference to the fair value of the options granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At end of the reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account if new ordinary shares are issued. Upon expiry of the options, the balance in the share option reserve is transferred to accumulated losses.



# Notes to the Financial Statements

For the financial year ended 31 December 2021

### 3 Investment in an associated company

The Group	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
<b>Carrying amount of investment</b>		
At 1 January and 31 December	–	–

The following information relates to the associated company of the Group at the end of the financial year:

Name of associate	Country of incorporation	Ownership interest held by the Group		Principal activities
		2021	2020	
		%	%	
<b>Indirectly owned</b>				
PT Global Linker Indonesia * ("PT Global")	Indonesia	<b>49</b>	49	Inactive

\* Management accounts used for equity accounting

#### Summarised financial information of an associate extracted from the management accounts for the years ended 31 December 2021 and 31 December 2020

	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Revenue	–	–
Loss after tax	<b>465</b>	71
Other comprehensive loss	–	34
Total comprehensive loss	<b>465</b>	105
Non-current assets		–
Current assets	<b>24,529</b>	20,572
Current liabilities	<b>(18,528)</b>	(13,829)
<b>Net assets</b>	<b>6,001</b>	6,743
Group's share net assets based on proportion of ownership interest	<b>3,355</b>	3,355
Impairment	<b>(3,355)</b>	(3,355)
<b>Carrying amount of investment</b>	–	–

The Group has not recognised its share of losses of PT Global amounting to HK\$228,000 (2020: HK\$51,000) because the Group had fully impaired its investment in associate and recorded an impairment loss of HK\$3,355,000 during the financial year ended 31 December 2019.

## Notes to the Financial Statements

For the financial year ended 31 December 2021

## 4 Property, plant and equipment

The Group	Leasehold improvements HK\$'000	Tools and equipment HK\$'000	Total HK\$'000
<b>Cost</b>			
At 1 January 2020, 31 December 2020 and <b>31 December 2021</b>	<b>50</b>	<b>9</b>	<b>59</b>
<b>Accumulated depreciation</b>			
At 1 January 2020	50	8	58
Depreciation for the financial year	–	1	1
<b>At 31 December 2020 and 31 December 2021</b>	<b>50</b>	<b>9</b>	<b>59</b>
<b>Carrying amount</b>			
<b>At 31 December 2021</b>	–	–	–
At 31 December 2020	–	–	–

## 5 Investment in subsidiaries

The Company	2021 HK\$'000	2020 HK\$'000
<b>Unquoted equity investments, at cost</b>		
At 1 January and 31 December	<b>8</b>	<b>8</b>

Details of the subsidiaries held by the Company are:

Name of subsidiary	Country of incorporation	Ownership interest held by the Group		Principal activities
		2021 %	2020 %	
<b>Directly owned</b>				
Asiapac Growth Holdings Limited ("Asiapac") *	BVI	100	100	Investment holding
<b>Indirectly owned</b>				
Asia Growth Group Limited *	Hong Kong	100	100	Inactive
Hong Kong Silver Basic Group Limited ("HK Silver") *	Hong Kong	70	70	Dormant
CCIG Financial Services Limited ("CCIG Financial") *	Hong Kong	70	70	Licensed money lending business in Hong Kong

\*Audited by Baker Tilly TFW LLP, Singapore for consolidation purpose

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 5 Investment in subsidiaries (Cont'd)

### Summarised financial information of subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
<b>31 December 2021:</b>		
HK Silver	Hong Kong	30%
CCIG Financial	Hong Kong	30%
<b>31 December 2020:</b>		
HK Silver	Hong Kong	30%
CCIG Financial	Hong Kong	30%

The following are the summarised financial information of each of the Group's subsidiaries with NCI that are considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

#### Summarised statements of financial position

	HK Silver HK\$'000	CCIG Financial HK\$'000	Total HK\$'000
<b>2021</b>			
Current assets	252	19,959	20,211
Total assets	252	19,959	20,211
Current liabilities	(1,789)	(18,843)	(20,632)
<b>Net (liabilities)/assets</b>	<b>(1,537)</b>	<b>1,116</b>	<b>(421)</b>
Attributable to:			
<b>- Non-controlling interests</b>	<b>(461)</b>	<b>335</b>	<b>(126)</b>
<b>2020</b>			
Current assets	164	17,763	17,927
Total assets	164	17,763	17,927
Current liabilities	(1,543)	(17,233)	(18,776)
<b>Net (liabilities)/assets</b>	<b>(1,379)</b>	<b>530</b>	<b>(849)</b>
Attributable to:			
<b>- Non-controlling interests</b>	<b>(414)</b>	<b>159</b>	<b>(255)</b>

\* HK Silver's statement of financial position included investment in an associate, PT Global which has been equity accounted.

## Notes to the Financial Statements

For the financial year ended 31 December 2021

## 5 Investment in subsidiaries (Cont'd)

## Summarised financial information of subsidiaries with material non-controlling interest ("NCI") (Cont'd)

Summarised statements of profit or loss and other comprehensive income

	HK Silver HK\$'000	CCIG Financial HK\$'000	Total HK\$'000
<b>2021</b>			
Revenue	–	3,240	3,240
(Loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year	(158)	586	428

Attributable to:

- Non-controlling interests	(47)	176	129
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**2020**

Revenue	–	1,838	1,838
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Loss for the financial year, representing total comprehensive loss for the financial year	(176)	(260)	(436)
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Attributable to:

- Non-controlling interests	(54)	(78)	(132)
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Other summarised information

	HK Silver HK\$'000	CCIG Financial HK\$'000	Total HK\$'000
<b>2021</b>			
Cash flow from operating activities	10	839	849
Cash flow from financing activities	–	(261)	(261)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10</b>	<b>578</b>	<b>588</b>

## 2020

Cash flow from operating activities	–	894	894
Cash flow from financing activities	–	(9,576)	(9,576)
Net decrease in cash and cash equivalents	–	(8,682)	(8,682)

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 5 Investment in subsidiaries (Cont'd)

### Acquisition of a subsidiary

On 13 July 2021, the Group had through its wholly-owned subsidiary, Asiapac acquired 51% of the issued share capital of Topping Tact Limited for HK\$5,100 from a third party. The Group has acquired Topping Tact Limited in order to expand its business into foreign exchange investment by creating an additional and recurrent revenue stream with a view to achieve long-term growth which will enhance long-term shareholder value.

*Fair values of identifiable assets and liabilities of subsidiary at acquisition date*

	Group HK\$'000
Financial assets at fair value through profit or loss	10,031
Trade and other receivables	10
Cash and cash equivalents	43
Borrowings	(7,801)
Trade and other payables	(2,322)
Total identifiable net liabilities acquired	(39)
Goodwill	25
Non-controlling interest	19
Total consideration payable from acquisition of a subsidiary	5

*Effect on cash flows of the Group*

	Group HK\$'000
Cash and cash equivalents in subsidiary acquired, representing net cash inflow from acquisition of a subsidiary	(43)

*Goodwill*

The acquired subsidiary is involved in the foreign exchange investment. The goodwill of HK\$25,000 is attributable to synergies expected to arise to the Group after the acquisition. The acquired subsidiary has been subsequently disposed during the financial year. The attributable amount of goodwill is included in the determination of the profit or loss on disposal.

*Revenue and profit contribution*

The acquired subsidiary contributed revenues of HK\$103,000 and net profit of HK\$59,000 to the Group for the period from 13 July 2021 to 30 December 2021. If the acquisition had occurred on 1 January 2021, the Group revenue would have been HK\$3,448,000 and total loss would have been HK\$1,415,000.

### Disposal of a subsidiary

On 27 January 2022, the Group had through its wholly-owned subsidiary, Asiapac entered into a bought and sale note with Lo Siu Mei Juanna to dispose 5,100 ordinary shares in the share capital of Topping Tact Limited, representing 51% of the total issued and paid-up share capital of Topping Tact Limited for HK\$100,000. Pursuant to a supplemental agreement entered on 27 January 2022, the transfer of beneficial interest shall take effect from 30 December 2021. Following the completion of the disposal and transfer of beneficial interest, Topping Tact Limited ceased to be a subsidiary of the Group with effect from 30 December 2021.

The carrying amounts of identifiable assets and liabilities disposed of and its effects on the cash flows of the Group are as follows:

	Group HK\$'000
Financial assets at fair value through profit or loss	1,695
Trade and other receivables	10,978
Cash and bank balances	40
Borrowings	(12,481)
Trade and other payables	(155)
Attributable goodwill	25
Net assets derecognised	102
Non-controlling interest	(38)
Net assets attributable to equity holders of the Company derecognised	64
Gain on disposal of subsidiary (Note 15)	36
Sales proceed receivable from disposal of subsidiary	100
Less: Consideration receivable from disposal of subsidiary	(100)
Less: Cash and cash equivalents of the subsidiary disposed of	(40)
Net cash outflow from disposal of subsidiary	(40)

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 6 Trade and other receivables

	The Group		The Company	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Amount due from subsidiaries (non-trade)	-	-	41,657	41,657
Less: Impairment losses on amount due from subsidiaries	-	-	(25,958)	(25,958)
Amount due from an associated company	10,672	10,672	-	-
Less: Impairment loss on amount due from an associated company	(10,672)	(10,672)	-	-
Deposits	17	18	17	17
Loans and advances	19,500	17,500	-	-
Less: Impairment loss on loans and advances	(1,620)	(1,244)	-	-
Trade receivable	150	150	-	-
Interest receivable	310	325	-	-
Other receivables	298	168	11	11
Deposits paid to a supplier <sup>(1)</sup>	24,299	24,377	-	-
Less: Impairment loss on deposits	(24,299)	(24,377)	-	-
Financial assets	18,655	16,917	15,727	15,727
Prepayments	169	7	160	7
<b>Total trade and other receivables</b>	<b>18,824</b>	<b>16,924</b>	<b>15,887</b>	<b>15,734</b>

<sup>(1)</sup> On 19 March 2015, the Group's subsidiary, Hong Kong Silver Basic Group Limited, entered into an exclusive agency agreement with the supplier for being an exclusive agent for the sale of nickel ore in the PRC including Hong Kong, which is produced by the supplier. A former key management personnel of the Group, Mr Wang De Zhou is a shareholder and director of the supplier. Mr Wang De Zhou is also a close member of the family of a key management personnel of the Group. The deposits paid for purchases of nickel ore are unsecured and interest-free. During the financial year ended 31 December 2019, the deposits paid of HK\$24,377,000 was fully impaired and trade payable to the supplier of HK\$10,531,000 was fully written back. During the financial year ended 31 December 2021, the Group received HK\$78,000 from Mr Wang De Zhou being partial repayment of the deposit.

### Loans and advances

Loan and receivables are non-derivate financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets.

The Group has offered and granted eight loans (2020 – three) via its Hong Kong subsidiary, CCI Financial (registered money lender in Hong Kong). Total undrawn facility amount at the end of financial year ended 31 December 2021 was HK\$7,500,000 (2020: HK\$2,500,000). Any drawdown is subject to management approval.

Country	Nature of business of borrowers	Maturity date	Interest rate		Principal amount of the loan	
			2021	2020	2021	2020
			%	%	HK\$'000	HK\$'000
<u>At amortised cost:</u>						
British Virgin Islands	Investment company	Revolving in nature	12	12	5,000	5,000
Hong Kong	Purchasing of consumer debt folio & manage and recover debt	Revolving in nature	12	12	5,000	5,000 <sup>(1)</sup>
Hong Kong	Personal	Revolving in nature	12	12	2,500	7,500
Hong Kong	Personal	Within 3 months from drawdown	36	-	3,000	-
Hong Kong	Personal	Within 3 months from drawdown	36	-	1,000	-
Hong Kong	Personal	Within 3 months from drawdown	36	-	1,000	-
Hong Kong	Personal	Within 3 months from drawdown	36	-	1,000	-
Hong Kong	Personal	Within 6 months from drawdown	30	-	1,000	-
Less: Impairment loss for the financial year					(1,620)	(1,244)
					<b>17,880</b>	<b>16,256</b>

The loans and advances are denominated in HKD.

<sup>(1)</sup> This relates to loan to a related party in which a subsidiary's director is also a deemed shareholder of the entity. Following the resignation of the director from the subsidiary during the previous financial year, the debtor is no longer a related party of the Group.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 7 Cash and cash equivalents

	The Group		The Company	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash in banks	3,666	1,936	306	107
Fixed deposits	10,002	1,760	–	–
Cash and bank balances	13,668	3,696	306	107

As at 31 December 2021, fixed deposits were pledged to secure bank loans and other banking facilities granted to the Group. Interest accrues on the fixed deposits at 0.14% to 0.25% (2020: 0.005% to 0.9%) per annum.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	2021	2020
	HK\$'000	HK\$'000
Cash and bank balances	13,668	3,696
Less: Fixed deposits pledged	(10,002)	(1,760)
Less: Non-liquid cash in banks	(1,733)	–
Cash and cash equivalents	1,933	1,936

Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong dollar	11,638	1,832	18	13
United States dollar	9	10	–	–
Singapore dollar	2,021	1,854	288	94
	13,668	3,696	306	107

## 8 Share capital

	2021		2020	
	Number of shares	HK\$'000	Number of shares	HK\$'000
<b>Authorised:</b>				
Ordinary shares of HK\$0.01 each				
At 1 January and 31 December	10,000,000,000	100,000	10,000,000,000	100,000
<b>Issued and fully paid:</b>				
Ordinary shares of HK\$0.01 each				
Balance at 1 January	2,213,776,973	22,139	1,913,776,973	19,139
Share issue	–	–	300,000,000	3,000
Balance at 31 December	2,213,776,973	22,139	2,213,776,973	22,139

On 2 October 2020, the Company allotted and issued 300,000,000 new ordinary shares for a total consideration of S\$900,000 (HK\$5,094,000) for cash to provide funds for the expansion of the Group's operations. HK\$3,000,000 is recorded under share capital and the remaining HK\$2,094,000, net of share issue expenses of HK\$209,000 is recorded under share premium (Note 9). The newly issued shares rank pari passu in all respects with the previously issued shares.

The holder of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

## Notes to the Financial Statements

For the financial year ended 31 December 2021

## 9 Other reserves

	The Group		The Company	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Share premium	53,065	53,065	53,065	53,065
Contributed surplus reserve	52,677	52,677	75,659	75,659
Share option reserve	–	331	–	331
Capital contribution reserve	5,306	5,306	–	–
Foreign currency translation reserve	191	191	–	–
	<b>111,239</b>	<b>111,570</b>	<b>128,724</b>	<b>129,055</b>

Share premium

Share premium represents the excess of proceeds from the issue of new ordinary shares over the nominal value of the shares issued, net of share issue expenses.

Contributed surplus reserve

Contributed surplus reserve of the Group arose from the capital reduction exercise undertaken during the financial year ended 31 December 2010 whereby the par value of each share of the Company was reduced from HK\$0.50 to HK\$0.01 resulting in a transfer of a credit balance of HK\$52,677,000 from share capital to contributed surplus reserve.

Contributed surplus reserve of the Company relates to the aforesaid capital reduction amounting to HK\$52,677,000 and the excess of the nominal value of the Company's shares issued over the combined net assets of the subsidiaries acquired amounting to HK\$22,982,000.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of a company is available for distribution.

Share option reserve

Share option reserve represents the cumulative expenses recognised on the granting of share options over the vesting period.

Capital contribution reserve

Capital contribution reserve represents the capital contribution from a non-controlling interest to a subsidiary.

Foreign currency translation reserve

The foreign currency translation reserve of the Group arises from the translation of financial statements of group entities whose functional currencies are different from the presentation currency.

## 10 Convertible bonds

The Group and the Company

On 23 February 2015 (i.e. the issue date), the Company issued 7% unlisted convertible bonds with an aggregate principal amount of S\$3,503,459 (HK\$21,460,000) due in 2020. The convertible bonds will mature five years from the issue date at their principal amount or can be converted into ordinary shares of the Company at the holder's option at the fixed rate of S\$0.10 per share for 35,034,597 shares of the outstanding principal. The interest will be payable by the Company annually in arrears.

On 20 March 2017, the Company has made an adjustment to the conversion price of the outstanding Convertible Bonds from S\$0.10 to S\$0.046. Accordingly, the number of shares to be issued upon full conversion of the Convertible Bonds will increase by 41,127,570 conversion shares from 35,034,596 conversion shares to 76,162,166 conversion shares.

The convertible bonds holders have the right to convert their convertible bonds into new shares at any time on or after one year from the issue date. The Company may early redeem the convertible bonds under the following conditions:

- If at any time, the aggregate principal amount of the convertible bonds outstanding is less than 10% of the aggregate principal amount originally issued. In this situation, the Company can redeem the convertible bonds at the principal amount together with accrued interest;
- At any time after 3 years of the issue date of the convertible bonds before the maturity date, the Company shall have the option to redeem all (and not only some) of the outstanding convertible bonds at 103% of their principal amount together with the accrued interest; or
- Redeem at the principal together with accrued interest for taxation reasons.

The proceeds from the issuance of the convertible bonds on the issue date of S\$3,503,459 (HK\$19,970,000) have been split into liability and derivative components. On issuance of the convertible bonds, the fair value of the derivative component, representing the embedded derivative of the conversion option and call option, is determined using an option pricing model and this amount is carried as a derivative component until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The derivative component is measured at fair value on the issue date and any subsequent changes in fair value of the derivative component at the end of the reporting period are recognised in profit or loss.



# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 10 Convertible bonds (Cont'd)

The fair value of the derivative component is determined based on the valuation performed by CHFT Advisory and Appraisal Ltd. using the applicable option pricing model. This is a level 3 recurring fair value measurement.

On 21 February 2020, the Group has fully redeemed the convertible bonds with an aggregate principal amount of S\$3,503,459 (HK\$20,322,000) in cash, together with accrued interest.

The movements of the liability component and derivative component of the convertible bonds during the financial year are as follows:

The Group and The Company	Liability component HK\$'000
At 1 January 2020	21,460
Interest expense (Note 16)	227
Principal redemption	(19,506)
Interest paid	(1,365)
Exchange difference	(816)
<b>At 31 December 2020 and 31 December 2021</b>	<b>-</b>

Interest expense on the convertible bonds is calculated using the effective interest method by applying the effective interest rate of 7.65% per annum to the liability component.

## 11 Warrants

On 23 February 2015, the Company allotted and issued 18,173,980 unlisted warrants with an issue price of S\$0.01 each due in 2021 ("**2015 Warrants**"), and each warrant carries the right to subscribe for one new common share in the capital of the Company at the exercise price of S\$0.10 for each new share.

On 20 March 2017, the Company has made an adjustment to the exercise price and number of 2015 Warrants ("**Warrants Adjustments**"). Pursuant to the terms of the deed poll dated 15 January 2015 constituting the 2015 Warrants, the Company is required to make the Warrants Adjustments as a result of the proposed non-renounceable and non-underwritten right issue of up 2,429,236,398 common shares to the capital of the Company (the "**Right Issue**").

Pursuant to the terms and conditions of the 2015 Warrants, the Warrants Adjustments has been made to both the existing number of 2015 Warrants and the exercise price of the 2015 Warrants. The number of outstanding 2015 Warrants increased by 8,750,435 from 18,173,980 to 26,924,415.

The Group and the Company	Derivative financial liability	
	<b>2021</b> HK\$'000	2020 HK\$'000
At 1 January	<b>35</b>	35
Written back (Note 15)	<b>(35)</b>	-
At 31 December	<b>-</b>	35

Following the expiration of the 2015 Warrants during the current financial year, the carrying amount of the warrants was fully written back.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 12 Trade and other payables

	The Group		The Company	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade payables <sup>(1)</sup>	-	-	-	-
Amounts due to subsidiary	-	-	12,100	9,439
Amounts due to a former key management personnel <sup>(2)</sup>	316	80	-	-
Amounts due to related party (non-trade) <sup>(3)</sup>	-	-	-	-
Amounts due to related party (non-trade) <sup>(4)</sup>	735	552	-	-
Other payable	114	95	-	-
Accruals	1,313	1,205	820	523
<b>Total trade and other payables</b>	<b>2,478</b>	<b>1,932</b>	<b>12,920</b>	<b>9,962</b>

(1) As disclosed in Note 6, trade payables of nickel ore to supplier of HK\$10,531,000 has been written back during the financial year ended 31 December 2019.

(2) This relates to advances given by Mr Wang De Zhou. The amount is unsecured, interest-free and repayable on demand. An amount of HK\$5,373,000 has been written back during the financial year ended 31 December 2019.

(3) In the previous financial year, an amount of HK\$300,000 due to a related party had been written back. The related party is an entity in which Mr Wang De Zhou is also a deemed shareholder.

(4) The related party is in which one of the Company's directors is also a shareholder of the entity.

## 13 Borrowings

The Group	2021	2020
	HK\$'000	HK\$'000
Other borrowing I <sup>(1)</sup>	-	5,000
Other borrowing II <sup>(2)</sup>	9,001	807
Bank borrowing <sup>(3)</sup>	993	979
Bank overdraft	9,750	-
<b>Total borrowings</b>	<b>19,744</b>	<b>6,786</b>

(1) Other borrowing I is repayable in 24 months after each drawdown and bears interest at 1% per annum (2020 - 1%). It is a callable loan, therefore the amount is classified under current liabilities. The loan was fully settled during the financial year ended 31 December 2021.

(2) Other borrowing II is repayable on demand and bears interest rate ranging from 12% to 18% (2020 - 12%) per annum.

(3) The bank borrowing is repayable on demand. Interest is charged at cost of funds plus 0.75% and the interest rate during the year ranged from 1.2% to 1.62% (2020: 1.18% to 2.65%) per annum. It is secured by non-liquid cash in banks (Note 7) and personal guarantee by a director.

(4) The bank overdraft of the Group is secured by pledged fixed deposits (Note 7). The bank overdraft does not form an integral part of the Group's cash management.

## 14 Revenue

Revenue from the Group's principal activities recognised during the financial year are as follows:

The Group	2021	2020
	HK\$'000	HK\$'000
Interest income	2,790	1,548
Loan referral service income	450	290
Fair value gain on financial assets at FVTPL	202	-
<b>Total revenue</b>	<b>3,442</b>	<b>1,838</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 15 Other income

The Group	2021 HK\$'000	2020 HK\$'000
Bank interest income	2	9
Foreign exchange gain	–	585
Write back of warrants (Note 11)	35	–
Gain on disposal of a subsidiary (Note 5)	36	–
Sundry income	–	128
Government grant	–	30
	<b>73</b>	<b>752</b>

## 16 Finance costs

The Group	2021 HK\$'000	2020 HK\$'000
Interest expense on		
- bank loan	14	29
- bank overdraft	37	–
- other borrowing	507	121
- convertible bonds (Note 10)	–	227
	<b>558</b>	<b>377</b>

## 17 Loss before taxation

The following items have been included in arriving at loss before taxation:

The Group	2021 HK\$'000	2020 HK\$'000
Audit fees paid to		
- Auditors of the Company	570	520
- Other auditors	35	55
Fees for non-audit services paid to		
- Auditors of the Company	–	–
- Other auditors	–	–
Depreciation of property, plant and equipment (Note 4)	–	1
Net impairment losses on trade and other receivables		
- Impairment losses on loans and advances (Note 6)	376	885
- Reversal of impairment losses on deposits (Note 6)	(78)	–
Foreign exchange loss/(gain)	49	(585)
Operating lease expense in respect of rented premises	306	301
Staff costs		
Directors' fees	447	536
Key management personnel		
- Salaries, wages and other related costs	180	180
- Employer's contributions to defined contribution plans	6	6
Total key management personnel compensation	<b>633</b>	<b>722</b>
Other than key management personnel		
- Salaries, wages and other related costs	–	30
- Employer's contributions to defined contribution plans	–	2
	–	32
Total staff costs	<b>633</b>	<b>754</b>

## Notes to the Financial Statements

For the financial year ended 31 December 2021

## 18 Taxation

	2021 HK\$'000	2020 HK\$'000
The Group		
<b>Current taxation</b>		
Current year	125	17
Under/(over) provision in respect of prior years	20	(66)
	<b>145</b>	<b>(49)</b>

**Reconciliation of effective tax rate**

	2021 HK\$'000	2020 HK\$'000
The Group		
Loss before taxation	<b>(1,272)</b>	(2,631)
Tax at statutory rates applicable to different jurisdictions	102	(27)
Tax effect on non-deductible expenses	57	102
Tax effect on non-taxable income	(4)	–
Tax rebate	(30)	(40)
Utilisation of previously unrecognised tax losses	–	(18)
Adjustments of current taxation in respect of prior years	20	(66)
	<b>145</b>	<b>(49)</b>

**Bermuda**

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in Bermuda.

**British Virgin Islands**

There is no income tax expense for the subsidiary in the British Virgin Islands as the income of the subsidiary is tax exempted under the laws of the British Virgin Islands.

**Hong Kong**

The corporate income tax rate applicable to the subsidiaries in Hong Kong for assessable profits that is more than HK\$2,000,000 is 16.5% (2020 - 16.5%) for the financial year ended 31 December 2021. For the first HK\$2,000,000 assessable profits, the corporate income tax rate applicable to the subsidiaries in Hong Kong is 8.25% (2020 - 8.25%).

## 19 Share-based payment compensation

The Company had in place a share option scheme (the "Joyas Share Option Scheme 2007") which was adopted at a special general meeting of the Company held on 21 December 2007. The duration of the Joyas Share Option Scheme 2007 was 10 years from the date that it was adopted and had accordingly expired and lapsed on 21 December 2017.

The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company in the Group.

Other than the options granted to the controlling shareholders and their associates (as defined in the Catalist Rules), no options have been granted since 19 August 2016 (when the last options were granted) to 21 December 2017. No individual has received 5% or more of the total number of options available under the Joyas Share Option Scheme 2017. No options were granted at a discount since the commencement of the Scheme to 21 December 2017.

No options to take up unissued shares of the subsidiaries have been granted during the financial year.

There were no unissued shares of subsidiaries under option as at 31 December 2021.

No shares were issued during the financial year to which this statement relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiary.

**Joyas Share Option Scheme 2018**

Since Joyas Share Option Scheme 2007 had expired, the Company adopted a new scheme known as the Joyas Share Option Scheme at a special general meeting of the Company held on 28 April 2018 (the "2018 Scheme"). The 2018 Scheme will continue to be in force at the discretion of the Remuneration Committee subject to a maximum period of 10 years, commencing on the date on which the Scheme was adopted.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 19 Share-based payment compensation (Cont'd)

The 2018 Scheme seeks to attract, retain and provide incentives to participants to encourage greater dedication and loyalty by enabling the Company to provide recognition for past contributions and services. The Company believes that this, in turn, will help to motivate participants generally to contribute towards the Company's long-term success. Save for Joyas Share Option Scheme 2007 which has expired, the Company did not and currently does not have any other share option or share scheme in force. The 2018 Scheme is administered by the Remuneration Committee.

The 2018 Scheme allows participation of controlling shareholders and associates of controlling shareholders as the Company acknowledges that the contributions and services of employees who are controlling shareholders and employees who are associates of controlling shareholders are equally important to the Company's long-term success. Rule 852 of the Catalyst Rules states that the participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer, and a separate resolution must be passed for each person and to approve the actual number and terms of options granted to that participant. In light of Rule 852 of the Catalyst Rule, the Board will update the shareholders each time a resolution is passed to grant options to the participants of the 2018 Scheme. As a safeguard, the controlling Shareholders and associates of controlling shareholders will abstain from voting on any resolution in relation to their participation in the 2018 Scheme.

Category of grantee	Note	Date of grant	Exercisable period	Balance at 1.1.2021	Lapsed during the year	Balance at 31.12.2021	Exercise price per share
<u>Under Joyas Share Option Scheme</u>							
Former non-executive directors and independent non-executive directors	(i)	19.8.2016	19.8.2017 to 18.8.2021	32,000,000	(32,000,000)	–	S\$0.0035
<b>Total</b>				<b>32,000,000</b>	<b>(32,000,000)</b>	<b>–</b>	

Category of grantee	Note	Date of grant	Exercisable period	Balance at 1.1.2020	Lapsed during the year	Balance at 31.12.2020	Exercise price per share
<u>Under Joyas Share Option Scheme</u>							
Non-executive directors and independent non-executive directors	(i)	25.5.2015	25.5.2016 to 24.5.2020	9,000,000	(9,000,000)	–	S\$0.03
Former non-executive directors and independent non-executive directors	(i)	19.8.2016	19.8.2017 to 18.8.2021	32,000,000	–	32,000,000	S\$0.0035
<u>Under general mandate</u>							
Third party	(ii)	16.2.2015	16.2.2015 to 15.2.2020	12,000,000	(12,000,000)	–	S\$0.021
<b>Total</b>				<b>53,000,000</b>	<b>(21,000,000)</b>	<b>32,000,000</b>	

Notes:

(i) The fair values of share options granted to the directors and former directors were determined by reference to the fair values of the share options granted at the grant date. The share options can be exercised after the first anniversary of the date of grant.

(ii) The fair value of the services provided by a third party was measured by reference to the fair value of share options granted at the date the counterparty rendered services. The share options can be exercised only when the net profits after taxation attributable to the business of one of its subsidiaries is at least the equivalent of US\$3 million for any financial year before fifth anniversary of the date of grant.

The exercise price of options outstanding at the end of the year was Nil [2020 - ranged between S\$0.0035 (HK\$0.02) and S\$0.03 (HK\$0.17)] and their weighted average remaining contractual life was Nil (2020: 0.63 years). There is no option granted during the year (2020 - Nil).

There were no options outstanding at the end of the year as they have lapsed (2020 - 32,000,000 share options).

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 19 Share-based payment compensation (Cont'd)

	Weighted average exercise price HK\$	2021 Number of options	Weighted average exercise price HK\$	2020 Number of options
Outstanding at beginning of the financial year	0.02	32,000,000	0.07	53,000,000
Lapsed during the financial year	–	(32,000,000)	–	(21,000,000)
Outstanding at end of the financial year	–	–	0.02	32,000,000

The fair values of options granted were determined using the Black-Scholes Pricing Model that takes into account factors specific to the share incentive plans. The following principal assumptions were used in the valuation:

	Share options granted in February 2015	Share options granted in May 2015	Share options granted in August 2016
Share price at date of grant	S\$0.021	S\$0.029	S\$0.003
Expected volatility*	198%	199%	199%
Risk-free interest rate	0.98%	1.19%	0.99%
Dividend yield	0%	0%	0%
Expected life of option	2.5	3	3
Fair value at date of grant	S\$0.0181	S\$0.0265	S\$0.0018
Exercise price	S\$0.021	S\$0.03	S\$0.0035

\* The underlying expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No special features pertinent to the options granted were incorporated into measurement of fair value.

## 20 Loss per share

The calculation of basic loss per share is based on the loss attributable to the owners of the Company of HK\$ 1,603,000 (2020: HK\$2,450,000) and on the weighted average number of 2,213,776,973 (2020: 1,988,367,137) ordinary shares in issue during the year.

Basic loss per share and diluted loss per share are the same for the years ended 31 December 2020 and 2021 as the Group incurred a loss for both years, and the share options, warrants and convertible bonds are anti-dilutive.

## 21 Related party transactions

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following significant transactions with related parties during the year:

	Transaction amount		Balances (Notes 12)	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Interest income from a related party <sup>(1)</sup>	–	(400)	–	–
Administrative expense paid to related parties <sup>(2)</sup>	248	246	(735)	(552)
Management fee paid to a related party <sup>(2)</sup>	–	40	–	–
Advances from a former key management personnel <sup>(3)</sup>	236	80	(316)	(80)
Loan from a related party <sup>(4)</sup>	1,950	–	–	–
Repayment of loan to a related party <sup>(4)</sup>	(5,850)	–	–	–

<sup>(1)</sup> This relates to a related party in which a subsidiary's director is also a deemed shareholder of the entity. Following the resignation of the director from the subsidiary during the financial year 31 December 2020, the entity is no longer a related party of the Group.

<sup>(2)</sup> This relates to entities in which one of the Company's directors is also a controlling shareholder of the entities.

<sup>(3)</sup> This relates to advances given by Mr Wang De Zhou.

<sup>(4)</sup> This relates to an entity which is held by a shareholder of the Company's subsidiary. Following the disposal of the subsidiary during the current financial year, the entity is no longer a related party of the Group.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 22 Segment information

The executive directors have identified the Group's three product lines as operating segments as further described in Note 2(d):

- (a) Nickel ore;
- (b) Financing activities; and
- (c) Others.

	Nickel ore		Financing activities		Others		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>										
External	-	-	3,240	1,838	202	-	-	-	3,442	1,838
Total revenue	-	-	3,240	1,838	202	-	-	-	3,442	1,838
<b>Segment Results</b>										
Segment (loss)/profit from operations	(159)	(176)	2,456	649	116	-	-	-	2,413	473
Unallocated income									35	743
Unallocated expenses									(3,164)	(3,479)
Finance income									2	9
Finance expense									(558)	(377)
Loss before income tax									(1,272)	(2,631)
Income tax (expense)/credit									(145)	49
Loss for the financial year									(1,417)	(2,582)
<b>Other information</b>										
Segment assets	157	157	18,349	16,731	-	-	-	-	18,506	16,888
Unallocated assets									13,986	3,732
Consolidated total assets									32,492	20,620
<i>Segment assets includes:</i>										
Investment in associated company	-	-	-	-	-	-	-	-	-	-
Segment liabilities	1,595	1,349	18,843	17,233	-	-	(18,700)	(17,179)	1,738	1,403
Unallocated liabilities									20,599	7,588
Consolidated total liabilities									22,337	8,991
Depreciation of plant and equipment	-	1	-	-	-	-	-	-	-	1
Impairment losses on trade and other receivables	-	-	376	885	-	-	-	-	376	885
Reversal of impairment losses on trade deposit paid	(78)	-	-	-	-	-	-	-	(78)	-

## Notes to the Financial Statements

For the financial year ended 31 December 2021

## 22 Segment information (Cont'd)

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than deposits, prepayment, other receivables and cash and cash equivalents. These assets are classified as unallocated assets.

Segment liabilities

The amounts provided to the management with respect total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than convertible bonds, warrants, current tax liabilities, borrowings and other payables. These liabilities are classified as unallocated liabilities.

The Group's revenue from external customers and non-current assets other than goodwill are categorised into the following geographical areas:

	Revenue from external customers		Non-current assets, other than goodwill	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Principal markets:</b>				
The PRC, including Hong Kong	3,240	1,838	-	-
Europe	202	-	-	-
	<b>3,442</b>	<b>1,838</b>	<b>-</b>	<b>-</b>

Geographical location of customers is based on the domicile location of the customers whilst that of non-current assets is based on their physical location.

During the financial year, there was no revenue from external customers attributed to Bermuda (country of domicile of the Company) and no non-current assets were located in Bermuda (2020 - HK\$Nil).

Revenue from customers contributing over 10% of total sales of the Group is as follows:

The Group	2021 HK\$'000	2020 HK\$'000
Customer A (Note)	150	600
Customer B (Note)	600	373
Customer C (Note)	750	575
Customer D (Note)	450	290
Customer E (Note)	450	-
	<b>2,400</b>	<b>1,838</b>

Notes:

Derived from the financing activities

As at 31 December 2021, 64% (2020 - 100%) of the Group's interest receivables/trade receivables were due from these customers.

## 23 Financial risk management

The Group's activities expose it to a variety of financial instrument risks, namely market risk (comprising foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for trading purpose during the financial year.

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to a variety of risks which resulted from both its operating and investing activities. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:



# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 23 Financial risk management (Cont'd)

### 23.1 Categories of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities at the end of the reporting period by categories are as follows:

	The Group		The Company	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Financial assets</b>				
Financial assets at amortised cost	<b>32,323</b>	20,613	<b>16,033</b>	15,834
<b>Financial liabilities</b>				
At amortised cost:				
Trade and other payables	<b>2,478</b>	1,932	<b>12,920</b>	9,962
Borrowings	<b>19,744</b>	6,786	–	–
	<b>22,222</b>	8,718	<b>12,920</b>	9,962
Financial liabilities at fair value through profit or loss:				
Warrants	–	35	–	35
	–	35	–	35
	<b>22,222</b>	8,753	<b>12,920</b>	9,997

### 23.2 Market risk

#### (i) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group carries out its business within and outside Hong Kong and worldwide with most of the transactions denominated in Hong Kong Dollar ("HKD"), United States Dollar ("USD") and Singapore Dollar ("SGD"). Exposures to currency exchange rates arise from the Group's overseas sales and purchases.

The Group's exposure to currency translation risk arising from its net investment in associate in Indonesia is managed primarily through advances denominated in the relevant foreign currency.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 23 Financial risk management (Cont'd)

### 23.2 Market risk (Cont'd)

#### (i) Foreign currency risk (Cont'd)

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure to foreign currency risk.

Foreign currency denominated financial assets and liabilities, translated into HKD at the closing rates, are as follows:

The Group	USD HK\$'000	SGD HK\$'000
<b>As at 31 December 2021</b>		
Trade and other receivables	–	22
Cash and cash equivalents	9	2,021
Trade and other payables	–	(210)
<b>Net exposure arising from financial assets and liabilities</b>	<b>9</b>	<b>1,833</b>
<b>As at 31 December 2020</b>		
Trade and other receivables	–	13
Cash and cash equivalents	10	1,854
Trade and other payables	–	(3)
Warrants	–	(35)
<b>Net exposure arising from financial assets and liabilities</b>	<b>10</b>	<b>1,829</b>

The Company does not have material financial assets and financial liabilities denominated SGD and USD for the year ended 31 December 2021 and 31 December 2020.

#### Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the SGD and USD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's profit after tax:

	Group	
	Increase/(decrease) in profit after tax	
	2021 HK\$'000	2020 HK\$'000
SGD/HKD		
- strengthened 3%	55	55
- weakened 3%	(55)	(55)
USD/HKD		
- strengthened 3%	–	–
- weakened 3%	–	–

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 23 Financial risk management (Cont'd)

### 23.2 Market risk (Cont'd)

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from its bank balances at fixed rates which are contractually repriced at intervals of less than 6 months (2020 - less than 6 months), loans and advances and borrowings from the end of the reporting period. Borrowings at variable rates expose the Group and the Company to cash flow interest rate risk (ie. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates). Borrowings at fixed rates expose the Group and Company to fair value interest rate risk (ie. the risk that the value of a financial instrument will fluctuate due to changes in market rates). At the end of the reporting period, approximately 46% (2020: 86%) of its borrowings at fixed rates of interest.

If the interest rate of loans and advances increase/decrease by 50 (2020 - 50) basis points with all variables including tax rate being held constant, the loss after tax of the Group will be lower/higher by HK\$89,000 (2020 - HK\$80,000). Sensitivity analysis for other financial instruments are not presented because the Group's exposure to interest rate risk from other financial instruments are not material.

### 23.3 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

As at 31 December 2021, the Group's significant exposure to credit risk arises from loans and advances, trade and other receivables. Credit exposure to an individual counterparty is restricted by credit limits that are approved by the credit committee based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the respective management and the credit committee. The Group's loans and advances comprise eight borrowers (2020 - three borrowers) that represented 100% (2020 - 100%) of the total loans and advances. There is significant credit concentration in a few borrowers.

The Group performs ongoing evaluations to determine customer credit and limits the amount of credit it extends. For other financial assets, the Group adopts the policy of dealing only with counterparties that are of acceptable credit quality. The default risk of the industry and country in which the customers operate also has an influence on credit risk but to a lesser extent.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment loss unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 23 Financial risk management (Cont'd)

### 23.3 Credit risk (Cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over one year past due, whichever occurs earlier	Write-off

#### Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

#### Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of terms of the facility letter or supplement facility letter by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). For example, when certain key liquidity and solvency ratios at reporting date provide evidence that the borrower is in significant financial difficulty such that it will have insufficient liquid assets to repay the loan when due. Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Cash and cash equivalents are placed with institutions with good credit rating and the management estimate the probability of default and loss given default to be low.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 23 Financial risk management (Cont'd)

### 23.3 Credit risk (Cont'd)

*Estimation techniques and significant assumptions*

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowance.

	<b>Trade and other receivables</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
The Group		
Balance at 1 January	<b>36,293</b>	35,408
Loss allowance measured/(reversed):		
Lifetime ECL		
- significant increase in credit risk	<b>298</b>	885
<b>Balance at 31 December</b>	<b>36,591</b>	36,293

	<b>Trade and other receivables</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
The Company		
Balance at 1 January and 31 December	<b>25,958</b>	25,958

*Trade receivables*

The Group applies the simplified approach to measure the expected credit loss ("ECL") allowance for trade receivables. Under the simplified approach, for trade receivables that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. Management assessed that there is immaterial loss allowance relating to trade receivables.

*Loans and advances*

The Group has loans and advances with a carrying value of HK\$17,880,000 (2020: HK\$16,256,000) as at 31 December 2021. The Group assesses whether or not there is an impairment of loans and advances by conducting credit assessment on a loan-by-loan basis. The Group assessed the probability of default and loss given default of each loan. In making their judgements, the Group considers the financial capabilities of the ultimate borrowers of the loan granted which includes assessing the credit portfolio of the borrowers and the assessment of the loan to security ratio.

When measuring estimated credit loss ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical loss rates, assumptions and expectations of future conditions.

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 23 Financial risk management (Cont'd)

### 23.3 Credit risk (Cont'd)

*Other financial assets at amortised cost*

Other financial assets at amortised cost include amount due from subsidiaries (non-trade), amount due from an associated company, deposits, other receivables, deposits paid to a supplier and cash and bank balances.

The table below details the credit quality of the Group's and the Company's financial assets at amortised cost (other than trade receivables and loans and advances):

Group	12-month or lifetime ECL	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
<b>2021</b>				
Amount due from an associated company	Lifetime ECL	10,672	(10,672)	–
Deposits	12-month ECL	17	–	17
Other receivables	12-month ECL	608	–	608
Deposits paid to a supplier	Lifetime ECL	24,299	(24,299)	–
Cash and bank balances	N.A. Exposure Limited	13,668	–	13,668
2020				
Amount due from an associated company	Lifetime ECL	10,672	(10,672)	–
Deposits	12-month ECL	18	–	18
Other receivables	12-month ECL	493	–	493
Deposits paid to a supplier	Lifetime ECL	24,377	(24,377)	–
Cash and bank balances	N.A. Exposure Limited	3,696	–	3,696
<b>Company</b>				
<b>2021</b>				
Amount due from subsidiaries (non-trade)	Lifetime ECL	41,657	(25,958)	15,699
Deposits	12-month ECL	17	–	17
Other receivables	12-month ECL	11	–	11
Cash and bank balances	N.A. Exposure Limited	306	–	306
2020				
Amount due from subsidiaries (non-trade)	Lifetime ECL	41,657	(25,958)	15,699
Deposits	N.A. Exposure Limited	17	–	17
Other receivables	12-month ECL	11	–	11
Cash and bank balances	N.A. Exposure Limited	107	–	107

# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 23 Financial risk management (Cont'd)

### 23.4 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial asset.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments. In managing its liquidity, Management monitors and reviews the Group's and Company's forecasts of liquidity reserves (comprising cash and cash equivalents and undrawn borrowing facilities) on the basis of expected cash flows determined at local level in the respective operating companies of the Group in accordance with limits set by the Group.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount HK\$'000	Contractual undiscounted cash flows			
		Total HK\$'000	Less than 1 year HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000
<b>The Group</b>					
<b>As at 31 December 2021</b>					
Trade and other payables	2,478	2,478	2,478	–	–
Borrowings	19,744	21,221	21,221	–	–
	<b>22,222</b>	<b>23,699</b>	<b>23,699</b>	–	–
As at 31 December 2020					
Trade and other payables	1,932	1,932	1,932	–	–
Borrowings	6,786	6,937	6,937	–	–
	8,718	8,869	8,869	–	–
<b>The Company</b>					
<b>As at 31 December 2021</b>					
Other payables	12,920	12,920	12,920	–	–
As at 31 December 2020					
Other payables	9,962	9,962	9,962	–	–

## 24 Financial instruments

### 24.1 Carrying amounts and fair values

The carrying amounts of financial assets and liabilities carried at amortised costs approximate their fair value due to their relatively short-term nature.

### 24.2 Fair values

The fair values of the derivative component of convertible bonds and warrants are determined using the Binomial option pricing model (Level 3 valuation).

The carrying amount of financial assets and liabilities, comprising trade and other receivables (excluding prepayments and deposits paid to a supplier), cash and cash equivalents, trade and other payables (excluding advances from customers) and borrowings, approximate their fair values. The Group and the Company do not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

## Notes to the Financial Statements

For the financial year ended 31 December 2021

**24 Financial instruments (Cont'd)****24.3 Fair value hierarchy**

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the Levels within the hierarchy of financial instruments measured at recurring fair value at the end of the reporting period:

The Group and The Company	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
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**As at 31 December 2021**

*Recurring fair value measurements*

Warrants	-	-	-	-
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**As at 31 December 2020**

*Recurring fair value measurements*

Warrants	-	-	35	35
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**Level 3 fair value measurement**

The reconciliation of the carrying amount of financial instruments classified within Level 3 is disclosed in Note 11 (Warrants).

There were no transfers between Level 1, Level 2 and Level 3 in 2021 and 2020.

**Valuation technique and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Warrants	Binomial Option Pricing Model	- Dividend yield of zero - Exercise behaviour of 100%	There is a positive relationship between all of these key observable inputs and estimated fair value.

Changes in significant inputs by 1% (2020 - 1%) will not have significant impact on the fair value measurements.

**Valuation process applied by the Group**

The fair values of derivative component of warrants are determined by external, independent valuers, having appropriate professional qualifications and experience in valuing such financial instruments. For valuation performed by external valuers, management considers the appropriateness of the valuation technique and assumptions applied by the external valuers.



# Notes to the Financial Statements

For the financial year ended 31 December 2021

## 25 Capital management

The Group's and the Company's objectives when managing capital are:

- To safeguard the Group's and the Company's ability to continue as going concern;
- To support the Group's and the Company's stability and growth;
- To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises trade and other payables, borrowings and convertible bonds (liability component), less cash and cash equivalents. Net capital represents equity attributable to owners of the Company.

	The Group		The Company	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Trade and other payables (Note 12)	2,478	1,932	12,920	9,962
Borrowings (Note 13)	19,744	6,786	–	–
Total debt	22,222	8,718	12,920	9,962
Less: Cash and bank balances (Note 7)	(13,668)	(3,696)	(306)	(107)
Net debt	8,554	5,022	12,614	9,855
Equity attributable to owners of the Company	10,281	11,884	3,281	5,852
Total capital and net debt	18,835	16,906	15,895	15,707
Gearing ratio	45%	30%	79%	63%

## 26 Legal claims

There was a deposit of approximately HK\$24.4 million paid by Hong Kong Silver Basic Group Limited ("HK Silver") in 2015 to a supplier in the Philippines (the "Supplier") for the purchase of nickel ore (the "Deposit"). The deposit is interest free and unsecured.

The deposit paid by HK Silver was funded by Asiapac Growth Holdings Ltd ("Asiapac"), a wholly-owned direct subsidiary of the Company which in turn holds a 70% direct shareholding interest in HK Silver. Pursuant to a facility agreement dated 18 March 2015 entered into between Asiapac and HK Silver (the "Facility Agreement"), Asiapac agreed to extend funds of up to US\$3 million to HK Silver (the "funds") which are secured by:

- A personal guarantee from Mr Wang De Zhou ("WDZ") (who is a former director, the former chief executive officer and who is a director and shareholder of the Supplier), and personal guarantees from Mr Wang De Wei and Mr Wang Jun Zhe (who are minority shareholders of HK Silver and who are family members of WDZ), (collectively the "Guarantors"); and
- A pledge of shares (the "share pledge") in a mining company which owns nickel ore mining concessions in Indonesia and which is majority owned by WDZ.

Under the terms of the Facility Agreement, Asiapac is also entitled to 20% per annum (net of any applicable withholding tax) of the amount of the Funds (in the form of interest or dividends) in accordance to the payment schedule stipulated under the Facility Agreement (the "minimum cost of funding"). The Minimum Cost of Funding is also secured by the guarantees and the Share Pledge.

Up to the date of this financial statements, there has been no significant progress on the legal action taken by Group in both Singapore and Indonesia. However, during the financial year, Mr. Wang Dezhou ("WDZ") has made some repayment of approximately HK\$78,000 and he will continue to do so when he has surplus funds.

The Group will continue to pursue the repayment while considering the various course of action which includes:

- arranging the funds required to continue with the legal course of action; and
- settlement proposal by WDZ by way of ownership of certain mining concessions in Indonesia ("Proposed Settlement").

However, due to the travel restrictions as result of the COVID-19, the Group's management is unable to meet with WDZ to discuss the terms further and to visit the mining sites in Indonesia to have a better understanding of the operations of the nickel ore mining concessions owned or managed by WDZ which are part of the terms of the Proposed Settlement. In addition, the Group's management is also considering and evaluating the listing rules, legal, accounting and operations issues in relation to the Proposed Settlement.

# Notes to the Financial Statements

*For the financial year ended 31 December 2021*

## **27 Subsequent events**

On 18 January 2022, the Group through its wholly-owned subsidiary, Asiapac, entered into a joint cooperation agreement ("Joint Cooperation Agreement") with Splendid Powerful Limited ("Splendid Powerful"). Pursuant to the Joint Cooperation Agreement, a new entity, Meta Technology International Limited ("Meta"), will be incorporated in Hong Kong, with an issued share capital of HK\$10,000. Asiapac will own 60% of the issued share capital of Meta while Splendid Powerful will own the remaining 40% of the issued share capital of Meta. Meta will be engaged in the provision of Fintech and blockchain related service.

## Key Information of Directors to be Re-Elected or Appointed

Key Information			
Name of Director	Cheung Yin	Vincent Cheung Chun Wai	Francis Lee Fook Wah
Date of appointment	18 January 2021	30 April 2021	30 April 2021
Date of last re-appointment	28 April 2021	N/A	N/A
Age	57	59	56
Country of principal residence	Hong Kong	Hong Kong	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors, having considered the recommendation of the Nominating Committee, and having reviewed the qualifications and working experience of Ms Cheung Yin, is of the view that she has the requisite experience and capabilities to assume the responsibilities as an Independent Non-Executive Chairman of the Company.</p> <p>Accordingly, the Board of Directors has approved the appointment of Ms Cheung Yin, as an Independent Non-Executive Chairman of the Company.</p>	<p>The Board of Directors, having considered the recommendation of the Nominating Committee, and having reviewed the qualifications and working experience of Mr Vincent Cheung Chun Wai, is of the view that he has the requisite experience and capabilities to assume the responsibilities as an Executive Director and Chief Executive Officer of the Company.</p> <p>Accordingly, the Board of Directors has approved the appointment of Mr Vincent Cheung Chun Wai, as an Executive Director and Chief Executive Officer of the Company.</p>	<p>The re-election of Mr Lee as Independent Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Lee's qualifications, expertise, past experiences and overall contributions since he was appointed as a Director of the Company.</p>
Whether the appointment is executive and if so, please state the area of responsibility	Non-Executive	Yes, formulation of business policies and day-to-day arrangement	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC member, etc)	Independent Non-Executive Chairman  Chairman of Audit; Nominating; Remuneration and Risk Management Committees	Executive Director and Chief Executive Officer	Independent Non-Executive Director  Member of Audit; Nominating; Remuneration and Risk Management Committees
Professional memberships/ qualifications	CPA of the Hong Kong Institute of Certified Public Accountants  CPA (Aust.) of the CPA Australia	<p>Certificate of Accredited Mediator awarded by Hong Kong Mediation Centre</p> <p>Certificate awarded by Hong Kong Mediation Accreditation Association Limited (HKMAAL)</p> <p>Certified Workplace Mediator CWPM 1099 awarded by International Dispute Resolution &amp; Risk Management Institute (IDRMI)</p> <p>Certificate awarded by Mediator Assessor Training Programme by CEDR</p> <p>Degree in Master of Business Administration in Executive Management awarded by Royal Roads University Canada</p>	<p>Bachelor of Accountancy from the National University of Singapore</p> <p>Master of Business Administration (Investment and Finance) from the University of Hull</p> <p>Chartered Accountant and Non-Practising Member of the Institute of Singapore Chartered Accountants</p> <p>Member of the Singapore Institute of Directors</p>

# Key Information of Directors to be Re-Elected or Appointed

Working experience and occupation(s) during the past 10 years	<p>Secretary of LWH Consulting Group PLC from June 2019 to present</p> <p>Chief Financial Officer of LWH Advisory Limited from April 2017 to present</p> <p>Financial Controller of Solid Gold Investments Ltd from October 2013 to April 2017</p> <p>Group Financial Controller and Company Secretary of New Fei Optical Supply Ltd from June 2010 to September 2013</p>	<p>Assistant Vice President of CCI Financial Services Limited a 70% indirectly owned and principal operating subsidiary of the Group incorporated in Hong Kong, from 2016 to present.</p> <p>Assistant to Chairman of CCI Credit Limited from 2015 to 2016</p> <p>Assistant General Manager of AEON Credit Service (Asia) Co., Ltd from 2006 to 2015</p>	<p><u>September 2020 – Present</u></p> <p>Executive Director and Chief Financial Officer of Vibrant Group Limited</p> <p><u>April 2019 – August 2020</u></p> <p>Chief Financial Officer of Vibrant Group Limited</p> <p><u>March 2015 – December 2017</u></p> <p>Chief Financial Officer of OKH Global Ltd</p> <p><u>October 2014 – March 2015</u></p> <p>Advisor to CEO of of OKH Global Ltd</p> <p><u>2005 – 2011</u></p> <p>Executive Director, Finance Director and Chief Financial Officer of Man Wah Holdings Ltd</p>
Shareholding interest in the Company and its subsidiaries	Nil	Nil	Please refer to the “Directors’ Statement” section on page 10 of the Annual Report
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	<p>Miss Cheung is an independent director of Prosperous Printing Company Limited (“Prosperous”), a company listed on the GEM of the Hong Kong Stock Exchange since the listing of Prosperous in 2017. The Company’s existing Non-Independent Non-Executive Director and Deputy Chairman, Mr Alan Ong (“Mr Ong”), was the non-executive director of Prosperous since the listing of Prosperous in 2017 until Mr Ong’s cessation on 16 October 2020.</p> <p>Miss Cheung worked as a Senior Manager at Grandtop Services Limited (“Grandtop”) from May 2008 to May 2010 whilst Mr Ong was a director of Grandtop. However, Miss Cheung reported to the General Manager of Grandtop, and did not report directly to Mr Ong during her period of employment.</p>	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes	Yes

# Key Information of Directors to be Re-Elected or Appointed

<p>Other Principal Commitments and Directorships</p>	<p><u>Present</u></p> <p>Independent Non-Executive Director of Prosperous Printing Company Limited.</p> <p>Executive Director of LWH Consulting Group PLC</p> <p>Executive Director of LWH Consulting Group Limited</p> <p>Executive Director of Global Mineral Resources Limited</p>	<p><u>Present</u></p> <p>Assistant Vice President of CCI Financial Services Limited</p>	<p><u>Present</u></p> <p>Directorships</p> <ul style="list-style-type: none"> <li>• Singapore Enterprises Private Limited</li> <li>• Freight Links Express Logisticpark Pte Ltd</li> <li>• Freight Links Express Pte Ltd</li> <li>• Crystal Freight Services Pte Ltd</li> <li>• Freight Links Logistics Pte Ltd</li> <li>• Vibrant Group Limited</li> <li>• FreightLinksExpressLogisticcentre Pte Ltd</li> <li>• Hub &amp; Port Services Pte Ltd</li> <li>• Freight Links E-Logistics Technopark Pte Ltd</li> <li>• Crystal Freight Services Distripark Pte Ltd</li> <li>• Freight Links Properties Pte Ltd</li> <li>• LTH Logistics (Singapore) Pte Ltd</li> <li>• Net Pacific Financial Holdings Limited</li> <li>• Ececil Pte Ltd</li> <li>• Sentosa Capital (Pte) Ltd</li> <li>• Figtree Holdings Limited</li> <li>• Celestine Management Private Limited</li> <li>• Vibrant Properties Pte Ltd</li> <li>• Glory Capital Pte Ltd</li> <li>• Shentoncil Pte Ltd</li> <li>• Vibrant DB2 Pte Ltd</li> <li>• Vibrant Megatrade Pte Ltd</li> <li>• Vibrant Pucheng Pte Ltd</li> <li>• Vibrant Pucheng Investment Pte Ltd</li> <li>• Vibrant Land Pte Ltd</li> <li>• Fervent IV Development Pte Ltd</li> <li>• Fervent V Development Pte Ltd</li> <li>• Asiaphos Ltd</li> <li>• Wise Alliance Investments Ltd</li> <li>• Sinolink Financial Leasing Co., Ltd</li> <li>• Sinolink Finance International Limited</li> <li>• Fervent Industrial Development (Suzhou) Co., Ltd</li> <li>• Fervent Logistics Infrastructure (Changzhou) Co., Ltd</li> <li>• Saujana Tiasa Sdn Bhd</li> <li>• Vibrant Pucheng Logistics (Chongqing) Co., Ltd</li> <li>• Vibrant Pucheng Property Management (Chongqing) Co., Ltd</li> <li>• Vibrant Pucheng Enterprise Management (Chongqing) Co., Ltd</li> <li>• Vibrant International Freight Forwarding (Chongqing) Co., Ltd</li> <li>• FreightLinksExpressInternational Co., Ltd</li> <li>• Freight Links M&amp;S (H.K.) Ltd</li> <li>• Lee Thong Hung Trading &amp; Transport Sdn Bhd</li> <li>• Vibrant Suzhou Energy Technology Co. Ltd</li> </ul> <p><u>Other Principal Commitment</u></p> <p>Chief Financial Officer and Executive Director of Vibrant Group Limited</p>
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# Key Information of Directors to be Re-Elected or Appointed

		<u>Past 5 years</u> Executive Director of Hong Kong Metal & Mining Group Limited	<u>Past 5 years</u> Assistant to Chairman of CCIG Credit Limited from 2015 to 2016	<u>Past 5 years</u> Directorships <ul style="list-style-type: none"> <li>• Blackgold Megatrade Pte Ltd (struck off)</li> <li>• Freight Links Co., Ltd</li> <li>• Metech International Limited</li> <li>• Sheng Siong Group Ltd</li> <li>• Fervent III Developments Pte Ltd</li> <li>• Tengda Industrial Property (Suzhou) Co., Ltd</li> <li>• Fervent Industrial Development (Ningbo) Co., Ltd</li> </ul> <u>Other Principal Commitments</u> Chief Financial Officer of OKH Global Ltd
<b>Information required</b>				
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>				
(A)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(B)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

## Key Information of Directors to be Re-Elected or Appointed

(C)	Whether there is any unsatisfied judgment against him?	No	No	No
(D)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(E)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(F)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(G)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(H)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(I)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

## Key Information of Directors to be Re-Elected or Appointed

(J)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	Yes He was the manger of a corporation investigated by the CAD for a breach of regulatory requirements/laws governing corporations in Singapore. To the best of his knowledge and as far as he is aware, the investigations involved or were related to certain directors of the corporation and not himself Mr Francis resigned from the company in May 2005 to focus on his other commitments and to pursue other interests.
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(K)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
<b>Disclosure applicable to the appointment of Director only</b>				
	Any prior experience as a director of an issuer listed on the Exchange?	N.A. as this relates to the re-appointment of director.	N.A. as this relates to the re-appointment of director.	N.A. as this relates to the re-appointment of director.



# Corporate Governance Report

Joyas International Holdings Limited (the “**Company**”) is committed to maintaining a high standard of corporate governance and has put in place corporate governance practices to protect the interests of its shareholders and enhance long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2021 (“**FY2021**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**2018 Code**”), pursuant to Rule 710 of the Listing Manual Section B: Rules of the Catalist (the “**Catalist Rules**”). The Company has complied with the principles and guidelines as set out in the 2018 Code, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the 2018 Code. The Company did not adopt any alternative corporate governance practices in FY2021.

## PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

*The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

The Company is effectively headed by the Board of Directors (the “**Board**”) to lead and control it. Apart from its fiduciary and statutory duties and responsibilities, the Board is collectively responsible for the success of the Company and its subsidiaries (collectively, the “**Group**”) and it works with the Management to achieve this. The Board oversees the affairs of the Group and focuses on strategies and policies, with particular attention paid to growth and financial performance. The Board delegates the formulation of business policies and day-to-day management to the Executive Director. Provision 1.1

The Directors act objectively in the best interests of the company and hold Management accountable for performance. The Board has put in place a code of conduct and ethics, and has set an appropriate tone-from-the-top and desired organisational culture. The Board also ensures proper accountability within the Company. Directors who face a conflict of interest recuse themselves from discussions and decisions involving issues of conflict.

The Board is responsible for:

1. providing entrepreneurial leadership, setting strategic aims, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
2. establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
3. reviewing the Management’s performance, and ensuring that the Management executes business management decisions with the highest level of integrity;
4. identifying key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
5. setting the Group’s values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;
6. considering sustainability issues, for example, environmental and social factors, as part of its strategic formulation;
7. ensuring the Group’s compliance with laws, regulations, policies, directives, guidelines and internal code of conduct;
8. ensuring the Group’s compliance with good corporate governance practices; and
9. approving half-year, quarterly (the Company has commenced quarterly reporting with effect from Q3 2021) and full year results.

Directors understand the Company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company’s expense. Provision 1.2

All Directors are updated regularly concerning any changes in Company policies, risk management, accounting standards, relevant new laws, regulations and changing commercial risks. Directors are encouraged to attend, at the Company’s expense, relevant and useful training or seminars conducted by external organisations. News releases issued by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) which are relevant to the Directors are circulated to the Board. The Board is briefed regularly by the Company’s external auditors on the key changes to the International Financial Reporting Standards. The Board is given updates at each Board meeting on business and strategic developments pertaining to the Group’s business. Catalist Rule 406(3)(a)

During FY2021, briefings, updates and trainings provided to the Directors include:

- briefings by the Company’s external auditors on key changes to the International Financial Reporting Standards at the AC meetings; and
- updates by the Company Secretary on amendments to the Catalist Rules of the SGX-ST, from time to time.

There were three new Directors appointed during FY2021. Ms. Cheung Yin was appointed on 18 January 2021. Mr. Vincent Cheung Chun Wai (“Mr. Vincent Cheung”) and Mr. Francis Lee Fook Wah (“Mr. Francis Lee”) were appointed on 30 April 2021. Ms. Cheung Yin and Mr. Vincent Cheung Chun Wai were required to undergo training in the roles and responsibilities of a director of a listed issuer company on the SGX-ST as prescribed by the SGX-ST (the “Mandatory Training”) as both of them had no prior experience as a director of an issuer listed a listed company on the SGX-ST.

Mr. Francis Lee was not required to undergo the Mandatory Training training in the roles and responsibilities of a director of a listed company on the SGX-ST as he has prior experience as a director of companies listed on the SGX-ST.

Based on the information provided by Ms Cheung Yin, Ms Cheung Yin has completed six (6) out of a total of eight (8) modules under the Listed Entity Director Programme (“LED Programme”), being LED1 to LED6, conducted by the Singapore Institute of Directors in March 2022. Ms Cheung Yin was unable to undergo the prescribed training as required within the prescribed time under Practice Note 4D of the Catalist Rules by 17 January 2022 due to work commitments.

Based on the information provided by Mr Cheung, Mr Cheung was unable to undergo the prescribed training as required within the prescribed timeline under Practice Note 4D of the Catalist Rules by 28 April 2022 as Mr Cheung was not able to make the necessary arrangements to attend the training prior to March 2022 due to work commitments and the next availability of the course will be in May and July 2022.

Please refer to the Company’s announcement dated 6 April 2022 on an update of the Mandatory Training for Ms Cheung Yin and Mr Cheung, setting out their commitment to complete the Mandatory Training by July 2022.

When a new Director is appointed, the Company will provide a formal letter to the new Director setting out his or her duties and obligations. In addition, the new Director will undergo an orientation program where the Chief Executive Officer will brief him or her on the Group’s business, policies and corporate governance practices to ensure that the new Director is familiar with the Group’s business, policies and corporate governance practices, and is able to discharge his or her duties effectively. Other forms of training include briefings on corporate governance practices and training in accounting, legal and industry-specific knowledge. First time directors will attend mandatory trainings as prescribed by the SGX-ST.

# Corporate Governance Report

The Board also has guidelines setting forth clear directions to the Management on matters that must be approved by the Board. Matters that specifically require Board approval include corporate and strategic directions, nomination of Directors to the Board, appointment of key executive officers, material acquisitions and disposals of assets (with consideration more than 25% of the total assets), share issuances, dividends and other forms of returns to shareholders. All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Company, and objectively make decisions in the best interests of the Company. Provision 1.3

Board committees, which include the Audit Committee (“AC”), Nominating Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”) (collectively, the “Board Committees”), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. These terms of reference are reviewed annually, along with the structure and membership of the Board Committees, to ensure their continued relevance. The names of the committee members, the terms of reference, any delegation of the Board’s authority to make decisions, and a summary of each Board Committee’s activities are described separately under the various sections of each Board Committee below. Provision 1.4  
Catalist Rule 406(3)(e)

Currently the Board is scheduled to meet at least twice a year. From Q3 2021, the Board is scheduled to meet at least four times a year due to the adoption of quarterly reporting and as and when warranted by circumstances. The Company’s Bye-Laws allow Board and Board Committee meetings to be conducted by way of a telephone conference or by means of similar communication.

Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings held in respect of FY2021 and the attendance of the Directors are set out in the table below: Provision 1.5

Directors’ Attendance at Board and Board Committee Meetings										
Name of Directors	Board Meeting		Audit Committee Meeting		Nominating Committee Meeting		Remuneration Committee Meeting		Risk Management Committee Meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Cheung King Kwok (Note 2)	3	1	3	1	1	1	1	1	Note 1	Note 1
Ong Chor Wei	3	3	3	3	1	1	1	1	11	11
Lau Chor Beng (Note 3)	3	1	3	1	1	1	1	1	N.A.	N.A.
Kwok Chin Phang (Note 2)	3	1	3	1	1	1	1	1	N.A.	N.A.
Lim Siang Kai (Noted 4)	3	1	3	1	1	1	1	1	Note 1	Note 1
Cheung Yin (Note 5)	3	3	3	3	1	1	1	1	11	11
Vincent Cheung Chun Wai (Note 6)	3	2	3	2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Francis Lee Fook Wah (Note 6)	3	2	3	2	N.A.	N.A.	N.A.	N.A.	11	11

NA = Not Applicable

Note 1: No new loans were granted during the period which he was the director.

Note 2: He retired effective on 28 April 2021.

Note 3: He resigned effective on 30 April 2021.

Note 4: He resigned effective on 31 March 2021.

Note 5: She was appointed on 18 January 2021.

Note 6: He was appointed on 30 April 2021.

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Provision 1.6

The Board reviews legislative and regulatory compliance reports from Management to ensure that the Company takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules of the SGX-ST.

The Company recognises the importance of providing the Board with accurate and relevant information on a timely basis. Information is usually provided at least three working days in advance prior to meetings. The Management highlights key business indicators and major issues that is relevant to the Company’s performance from time to time at Board Committee Meetings and provides the Board with half yearly management accounts, quarterly management accounts from Q3 2021 and such explanation and information on a monthly basis in order to enable the Board to make a balanced and informed assessment of the Company’s performance, position and prospects.

The Directors have separate and independent access to the Management, the Company Secretary, and external advisers (where necessary) at the Company’s expense. Pursuant to Bye-Law 136 of the Company’s Bye-Laws, the appointment and removal of the Company Secretary is a matter for the Board to decide as a whole. Provision 1.7

# Corporate Governance Report

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

*The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

The Board comprises:

Cheung King Kwok	(Independent Non-Executive Chairman) (retired effective on 28 April 2021)
Ong Chor Wei	(Non-Independent Non-Executive Director and Deputy Chairman)
Lau Chor Beng, Peter	(Executive Director and Managing Director) (resigned on 30 April 2021)
Kwok Chin Phang	(Non-Executive Director) (retired effective on 28 April 2021)
Lim Siang Kai	(Independent Non-Executive Director) (resigned on 31 March 2021)
Cheung Yin	(Independent Non-Executive Director) (appointed on 18 January 2021)
	(redesignated to Independent Non-Executive Chairman effective on 28 April 2021)
Francis Lee Fook Wah	(Independent Non-Executive Director) (Appointed on 30 April 2021)
Vincent Cheung Chun Wai	(Executive Director and Chief Executive Officer) (Appointed on 30 April 2021)

The Independent Non-Executive Directors consist of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary and these competencies include accounting, finance and business management. The NC has reviewed and confirmed that the Independent Non-Executive Directors are independent in conduct, character and judgment, and none of the Independent Non-Executive Directors have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company. The Independent Non-Executive Directors have also confirmed their independence in accordance with the 2018 Code. In the event that any relationship which is likely to affect the Director's judgment arises, the relevant Director will make timely disclosure of such relationship to the Board.

Provision 2.1  
Catalist Rule  
406(3)(d)

The Independent Non-Executive Directors provide for a strong and independent element on the Board and are able to exercise objective judgment on corporate affairs independently from the Management, and together with the Non-Executive Directors, constructively challenge and help develop proposals on strategy and also review the performance of the Management in achieving agreed goals and objectives, and monitor the reporting of performance.

The composition of the Board and independence of each Independent Non-Executive Directors are and will be reviewed annually by the NC in accordance with the guidelines under the 2018 Code. In determining the independence of each Independent Non-Executive Director, the Board and the NC also considers Rule 406(3)(d) of the Catalist Rules that a director is not independent under any of the following circumstances:

- (i) if he is employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; and
- (ii) if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the RC of the Company.
- (iii) if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the chief executive officer of the listing applicant, and associates of such directors and chief executive officer. For the purpose of the resolution referred to in (B), the directors and the chief executive officer of the listing applicant, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. Such resolutions may remain in force until the earlier of the following:- (X) the retirement or resignation of the director; or (Y) the conclusion of the third annual general meeting of the listing applicant following the passing of the resolutions.

The Board and NC have also considered the new Rule 406(3)(d)(iii) of the Catalist Rules which came into effect on 1 January 2022. Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, the continued appointment of an individual as an independent director after he has been a director for an aggregate period of more than nine (9) years (whether before or after listing) is subject to approval in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors, chief executive officer, and their associates. For the purpose of the resolution referred to in (B), the directors and the chief executive officer of the Company, and their respective associates, shall not accept appointment as proxies unless specific instructions as to voting are given.

As at the date of this Annual Report, none of the current Independent Non-Executive Directors have served on the Board beyond nine (9) years from the date of his first appointment.

The Independent Non-Executive Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

There is a strong element of independence on the Board. Ms Cheung Yin, the Independent Non-Executive Chairman of the Board, and Mr Francis Lee Fok Wah, the Independent Non-Executive Director, is not part of the Management and Independent Non-Executive Directors make up at least one third of the Board.

Provision 2.2

Non-Executive Directors make up a majority of the Board.

Provision 2.3

The Board, taking into account the nature and scope of the Group's operations and the impact of the number of Directors upon effectiveness in decision-making, is of the view that the current board size of four (4) Directors, with more than one-third of the Directors being independent, is appropriate. The Board exercises judgment on corporate affairs objectively and independently, in particular, from the Management and no individual or small group of individuals dominates the Board's decision-making.

Provision 2.4

The Company has filled the vacancy in the AC, NC and RC and met the requirement of having at least a director being a resident in Singapore to ensure compliance with the Catalist Rules and the 2018 Code on or after the AGM date.

The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender and age. The current composition of the Board provides diversity in terms of skills, experience and knowledge. The current Board consists of Directors with relevant skills in the following areas: accounting or finance, business management, business administration, business consulting, product development, corporate finance, audit, compliance and risk management. Furthermore, each Director has relevant qualifications and experience in their respective field of expertise. Key information on the Directors can be found in the "Board of Directors" section of this Annual Report. From a gender perspective, there is also diversity.

## Corporate Governance Report

<b>Balance and Diversity of the Board</b>	
	<b>Number of Directors as at 31 March 2022</b>
<b>Core Competencies</b>	
- Accounting or finance	4
- Business management, business administration, business consulting	4
- Product development, relevant industry knowledge or experience	2
- Corporate finance	4
- Audit, compliance and risk management	4

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets that the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

To facilitate a more effective check on the Management, Non-Executive Directors (including Independent Non-Executive Directors) have met twice without the presence of the Management in FY2021. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. Provision 2.5

### PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

*There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The Independent Non-Executive Chairman and the Chief Executive Officer are separate persons and are not related to each other. The Independent Non-Executive Chairman is also an Independent Non-Executive Director. Accordingly, the Company is not required to, and has not appointed, a lead independent Director. There is clear separation of the roles and responsibilities between the Independent Non-Executive Chairman and the Chief Executive Officer in order to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. Provision 3.1  
Provision 3.3

The Independent Non-Executive Directors meet regularly amongst themselves without the presence of the other Directors, where necessary. The Independent Non-Executive Chairman, Ms. Cheung Yin, makes herself available to shareholders if they have concerns relating to matters that contact through the Chief Executive Officer has failed to resolve, or where such contact is inappropriate.

The Board has clearly established and set out in writing the division of responsibilities between the Independent Non-Executive Chairman and the Chief Executive Officer. The responsibilities of the Independent Non-Executive Chairman include the following: Provision 3.2

1. leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
2. promote a culture of openness and debate at the Board;
3. ensuring that the Directors receive complete, adequate and timely information;
4. ensuring effective communication with the shareholders;
5. encouraging constructive relations within the Board, between the Board and the Management, and between the Executive Director and the Non- Executive Directors (including the Independent Non-Executive Directors);
6. facilitating the effective contribution of the Non-Executive Directors (including the Independent Non-Executive Directors) in particular; and
7. promoting high standards of corporate governance.

As the Chief Executive Officer of the Company, Mr. Vincent Cheung Chun Wai is responsible for overseeing and managing the businesses of the Company. He is accountable to the Board for the conduct and performance of the Group and has been delegated authority to make decisions within certain financial limits authorised by the Board.

### PRINCIPLE 4: BOARD MEMBERSHIP

*The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

The members of the NC as at 31 December 2021 are as follows: Provision 4.2

Cheung Yin	(Chairman)
Francis Lee Fook Wah	(Member)
Ong Chor Wei	(Member)

The NC is made up of three (3) Non-Executive Directors with the majority, including the NC Chairman, being independent. The NC is scheduled to meet at least once a year and had convened a meeting on 25 February 2021.

The Company does not have any alternate Directors currently. Alternate Directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include Directors' health and age related concerns as well as Management succession plans.

# Corporate Governance Report

The NC is regulated by a set of written terms of reference which sets out its authority and its role, including but not limited to establishing a formal and transparent process for: Provision 4.1

1. reviewing and making recommendations to the Board on all Board appointments;
2. appointment and re-appointment of the Directors having regard to each Director's contribution and performance, including, if applicable, as an Independent Non-Executive Director;
3. reviewing of the Board's succession plans for Directors, in particular, the appointment and/or replacement of the Independent Non-Executive Chairman, the Chief Executive Officer and key executive officers;
4. developing a process and the criteria for evaluation of the performance of the Board, its board committees and directors;
5. reviewing the training programs and professional development programs for the Board and its Directors;
6. determining annually whether or not a Director is independent; and
7. assessing the effectiveness of the Board as a whole, the effectiveness of the Board Committees and the commitment, contribution and performance of each Director to the effectiveness of the Board.

In the selection and nomination for new Directors, the NC identifies the key attributes that an incoming Director should have, based on the attributes which complement and strengthen the existing Board as well as the requirements of the Group. After the identified attributes are endorsed by the Board, the NC taps on the resources of the Directors' personal contacts for recommendations of potential candidates. Executive recruitment agencies may also be appointed to assist in the search process, where necessary. The potential candidates will go through a shortlisting process. Interviews are then set up with the shortlisted candidates for the NC to assess them before a decision is made. The NC would then proceed to recommend the selected candidate to the Board for appointment. Provision 4.3  
Catalist Rule 720(4)-(5)

New Directors are appointed by way of a Board resolution, after the NC and the Board have approved their nominations. Such new Directors will submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company. Pursuant to the Company's Bye-Laws, every Director shall retire from office once every three (3) years and for this purpose, at each AGM of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Key information on the Directors can be found in the "Board of Directors" section of this Annual Report.

The Directors who are retiring at the forthcoming AGM of the Company are named below:

Name of Director	Date of initial appointment	Date of last re-election	Due for re-election
Vincent Cheung Chun Wai	30 April 2021	–	Yes
Francis Lee Fook Wah	30 April 2021	–	Yes
Cheung Yin	18 January 2021	28 April 2021	Yes

Please refer to pages 58 to 64 for additional information in relation to Mr Vincent Cheung Chun Wai; Mr. Francis Lee Fook Wah and Ms Cheung Yin.

The role of the NC also includes the responsibility of reviewing the re-nomination of Directors who will retire by rotation, taking into consideration, the Director's integrity, independence, operational and technical contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC. The NC would assess the performance of individual Directors in accordance with the performance criteria set out above. Subject to NC's satisfactory assessment, the NC would recommend the proposed re-election of a Director to the Board.

The NC had, with Ms Cheung Yin abstaining from the deliberations, reviewed and recommended that Ms Cheung Yin who will retire via rotation pursuant to Bye-Law 104 of the Company's Bye-Laws, be nominated for re-election as Independent Non-Executive Chairman at the forthcoming AGM of the Company and subject to being duly re-elected, Ms Cheung Yin will remain as the Independent Non-Executive Chairman and Chairman of the RC, AC, RMC and NC of the Company. Ms Cheung Yin is considered Independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

Pursuant to Bye-Law 107 of the Company's Bye-Laws, Mr Francis Lee Fook Wah will be nominated for re-election at the forthcoming AGM of the Company. The NC, with Mr Francis Lee Fook Wah abstaining from the deliberations, has recommended Mr Francis Lee Fook Wah for the re-election at the forthcoming AGM of the Company. Mr Francis Lee Fook Wah will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, member of the AC, NC and RC. Mr Francis Lee Fook Wah is considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

Pursuant to Bye-Law 107 of the Company's Bye-Laws, Mr Vincent Cheung Chun Wai will be nominated for re-election at the forthcoming AGM of the Company. The NC, has recommended Mr Vincent Cheung Chun Wai for the re-election at the forthcoming AGM of the Company. Upon his re-election as Director of the Company. Mr Vincent Cheung Chun Wai will remain as an Executive Director and Chief Executive Officer of the Company.

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code. Provision 4.4

The Independent Non-Executive Directors have confirmed that:

- (a) They are independent in conduct, character and judgement, and they do not have a relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.
- (b) They are not being employed by the Company or any of its related corporations for the current or any of the past three (3) financial years.

# Corporate Governance Report

- (c) They do not have an immediate family member (being a spouse, child, adopted child, step-child, sibling and parent) who is, or has been in any of the past three (3) financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.
- (d) There are no relationships (including business relationships) which they, their immediate family members, or an organisation which they, or their immediate family members, are a substantial shareholder, partner (with 5% or more stake), executive officer or director in, have with the Company or any of its related corporations, and they do not have any direct association with a substantial shareholder of the Company, in the current and immediate past financial year.
- (e) They or their immediate family members, or a company that they and/or their immediate family members are a substantial shareholder in, have not provided to or received from the Company or its subsidiaries any significant payments or material services, other than their service as a Director of the Company and Directors' fees received for their service as a Director of the Company.
- (f) They or their immediate family members, in the current or immediate past financial year, have not provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for Board service.
- (g) They or their immediate family members, in the current or immediate past financial year, is or was, not a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services).
- (h) They are not and have not been directly associated with a substantial shareholder of the Company, in the current or immediate past financial year.
- (i) They have not served a director of the Company for an aggregate period of more than 9 years (whether before or after listing).

The Board, having taken into account the views of the NC, considers Ms Cheung Yin and Mr Francis Lee Fook Wah, to be independent based on the definition of independence as set out in the Catalist Rules and the 2018 Code.

The NC ensures that new directors are aware of their duties and obligations. Although some Directors hold directorships in other listed companies, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors of the Company. These Directors would widen the experience of the Board and give it a broader perspective. The Company has established internal guidelines to address the competing time commitments faced by these Directors serving on multiple boards. The listed company directorships and principal commitments of each Director are set out on page 8 of this Annual Report.

Provision 4.5

The NC is of the view that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments and hence, no maximum number of listed company board representations a Director may hold is prescribed. If a Director is on the board of other listed companies, the NC will consider whether adequate time and attention have been devoted to the Company. In particular, the NC will consider the attendance of a Director in Board meetings or Board Committee meetings and whether a Director provides sufficient feedback or input for matters which require Board's or Board Committee's attention. In the event that there are sufficient grounds for concern, the Independent Non-Executive Chairman and the Chief Executive Officer shall discuss with the NC, and if necessary, bring to the attention of the Director of the issues and in any continuance, the consequences flowing from the situation. The NC has reviewed and is satisfied that the current Directors are able to and have adequately carried out their duties as Directors of the Company and have the adequate time and attention devoted to discharge their duties for FY2021.

## PRINCIPLE 5: BOARD PERFORMANCE

*The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole and its Board Committees as well as to assess the Independent Non-Executive Chairman and each individual Director for their contribution and their commitment to their role. The formal appraisal process is based on the objective performance criteria and process recommended by the NC and approved by the Board.

Provision 5.1

The appraisal process focuses on a set of performance criteria which includes, *inter alia*, the evaluation of the following: (a) Board's composition and size; (b) Board's processes; (c) risk management and internal control; (d) Board's effectiveness to meet its performance objectives for the relevant financial year and financial performance indicators; (e) recruitment process; (f) remuneration framework; and (g) financial reporting responsibility. Such performance criteria are approved by the Board and they address how the Directors have collectively enhanced long-term shareholders' value. The NC did not propose any changes to the performance criteria for FY 2021.

Provision 5.2

A Board evaluation is conducted annually whereby Directors complete a self-assessment checklist based on the abovementioned various areas of assessment to assess their views on various aspects of Board's, Board Committees' and individual Director's performance. The Company Secretary collated and submitted the questionnaire results to the NC Chairman. The NC then discussed the results of the assessment, and presented their evaluation and feedback to the Board for discussion on areas of weakness to improve the effectiveness of the Board and Board Committees. No external facilitator had been engaged to assist in the evaluation of the Board's performance for FY2021.

The Independent Non-Executive Chairman acts on the results of the performance evaluation, and where appropriate, proposes new members to be appointed to the Board or seek the resignation of Directors in consultation with the NC through the process as elaborated above. The NC has assessed the performance of the current Board's overall performance during FY2021, and is of the view that the Board and its individual Directors have met their performance objectives.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company in FY2021.

# Corporate Governance Report

## REMUNERATION MATTERS

### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

*The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

The RC as at 31 December 2021 comprises the following Directors: Provision 6.2

Cheung Yin	(Chairman)
Francis Lee Fook Wah	(Member)
Ong Chor Wei	(Member)

The RC is made up of three (3) Non-Executive Directors with the majority of them, including the RC Chairman, being independent. The RC is scheduled to meet at least once a year and had convened a meeting on 25 February 2021. All the members of the RC are Non-Executive Directors so as to minimize the risk of any potential conflict.

The RC is regulated by a set of terms of reference and has access to independent professional advice inside and outside the Company, if necessary, in respect of the remuneration of all Directors and key executive officers. No remuneration consultants were engaged in FY2021. Provision 6.1  
Provision 6.4

The RC's main duties include, *inter alia*:

1. reviewing and recommending to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for the Executive Director and key executive officers, including those employees related to the Directors and controlling shareholders of the Group, if any, bearing in mind the need for a cautious comparison (in order to prevent the risk of an upward ratchet of remuneration levels with no corresponding improvements in performance) of pay and employment conditions of comparable companies in the same or similar industries, and to submit such recommendations for endorsement by the entire Board;
2. devising the remuneration framework and specific remuneration packages for Non-Executive Directors; and
3. carrying out its duties in the manner that it deems expedient, subject to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

The RC considers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind, and termination terms, to ensure they are fair. Provision 6.3

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

### PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

*The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

As part of its review, the RC shall consider:

1. the remuneration packages of the Executive Director and key executive officers are comparable to companies in same or similar industries. If appropriate, a proportion of Executive Director's and key executive officers' remuneration would be structured so as to link rewards to the Group's and the individual's performance. The performance-related elements of remuneration may form a significant proportion of the total remuneration package of the Executive Director and key executive officers so that their interests are aligned with the interests of shareholders, and give the Executive Director and key executive officers keen incentives to perform at the highest levels. The performance related elements of remuneration also take into account the risk policies of the Group, are symmetric with risk outcomes and are sensitive to the time horizon of risks; Provision 7.1
2. the Directors' fees of Non-Executive Directors are appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive Directors, but also bearing in mind that Independent Non-Executive Directors are not over-compensated to the extent that their independence may be compromised; Provision 7.2
3. the level of remuneration is appropriate to attract, retain and motivate the Executive Director to provide good stewardship of the Company and key executive officers to successfully manage the Company for the long term, without such level being more than is necessary for this purpose; and Provision 7.3
4. the remuneration packages of employees related to Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

# Corporate Governance Report

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company adopts a formal and transparent procedure for developing a policy for fixing remuneration packages of the Executive Director and key executive officers. No Director is involved in deciding his own remuneration. In fixing remuneration packages, the Company takes into account pay and employment conditions of comparable companies in the same or similar industries, as well as the Group's relative performance and the performance of the Executive Director or key executive officers. Provision 8.1

The remuneration policy for Executive Director and key executive officers consists of salary, bonus, pension fund contributions and benefits-in-kind. The performance conditions used to determine the entitlement of the Executive Director and key executive officers under short-term incentive scheme (such as bonus) and long-term incentive scheme (such as the Joyas Share Option Scheme 2018) comprises of qualitative and quantitative conditions. Examples of quantitative conditions are target revenue, target profit, sales growth and years of service. Examples of qualitative conditions are on-the-job performance, leadership, teamwork, etc. The performance conditions are determined and implemented by the RC. The inclusion of the performance conditions in the service agreements of the Executive Director and key executive are done in a review conducted prior to the renewal of the service agreements of the Executive Director and key executive officers. There was no variable remuneration paid to Executive Director and key executive officers in FY2021. The RC has reviewed the performance of the Executive Director and key executive officers for FY2021. Per the review, the performance of the Executive Directors and key executive officer have been met.

The Non-Executive Directors (including Independent Non-Executive Directors) do not have any service contracts. They are paid a Directors' fee for serving on the Board and Board Committees, if any. In determining the quantum of such Directors' fees, factors such as frequency of attendance at meetings, time spent and responsibilities of Directors are taken into account. The RC has also reviewed and assessed the remuneration of the Non-Executive Directors for FY2021. The RC is of the view that the remuneration is appropriate after taking into consideration the effort, time spent and responsibilities of the Non-Executive Directors. The Board recommends payment of such Directors' fees to be approved by shareholders at each AGM of the Company.

The service agreement with Executive Director is not excessively long and it does not have onerous removal clauses. The Executive Director or the Company may terminate the service agreement by giving to the other party not less than three (3) months' notice in writing, or in lieu of notice, payment of an amount equivalent to three (3) months' salary based on the Executive Director's last drawn salary. The RC aims to be fair and reasonable.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Director and key executive officers in certain circumstances. The Board is of the view that as the Group pays performance bonuses (if any) based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its Executive Director and key executive officers, "clawback" provisions in the service agreements may not be relevant or appropriate. In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

### Directors' Remuneration

The remuneration of the Directors consists of their salary, bonus, mandatory provident fund ("MPF"), Directors' fees and benefits-in-kind. The details of their remuneration packages are set out below:

Directors	Salary HK\$'000	Directors' Fee HK\$'000*	Percentage of Variable Remuneration %	Percentage of Fixed Remuneration (including Directors' Fee) %
<b>Executive Director</b>				
Lau Chor Beng Peter <sup>(1)</sup>	–	–	–	–
Vincent Cheung Chun Wai <sup>(2)</sup>	60	64	–	100
<b>Non-Executive Directors</b>				
Cheung King Kwok <sup>(3)</sup>	–	57	–	100
Ong Chor Wei	–	120	–	100
Kwok Chin Phang <sup>(3)</sup>	–	40	–	100
Lim Siang Kai <sup>(4)</sup>	–	31	–	100
Cheung Yin <sup>(5)</sup>	–	55	–	100
Francis Lee Fook Wah <sup>(6)</sup>	–	80	–	100

\* The remuneration in the form of Directors' fees is subject to shareholders' approval at the forthcoming AGM of the Company.

- (1) Resigned on 30 April 2021. According to the service agreement, the Executive Director is not entitled to any remunerations. Instead, the Executive Director is paid bonuses based on the performance of the Company during the financial year. During FY2021, the Company was not profitable and therefore there will be no bonus paid to the Executive Director for FY2021.
- (2) He was appointed on 30 April 2021. According to the service agreement, he is entitled to remuneration on a fixed and variable basis based on the performance of the Company during the financial year. No variable was paid as the Company was not profitable and therefore there will be no bonus paid to the Executive Director for FY2021.
- (3) He retired effective on 28 April 2021.
- (4) He resigned effective on 31 March 2021.
- (5) She was appointed on 18 January 2021.
- (6) He was appointed 30 April 2021.



# Corporate Governance Report

## Remuneration of Key Executive Officers

There was only one key executive officer during FY2021. The remuneration of the key executive officer (who are not Directors) consists of salary. The details of her remuneration package is set out below.

	Percentage of Variable Remuneration %	Percentage of Fixed Remuneration %
<b>Key Executive Officers Below S\$250,000</b>		
Lui Mui Ching	–	100

In aggregate, the remuneration of the key executive officer set out in the table above for FY2021 was approximately HK\$60,000.

There were no termination, retirement and post-employment benefits that may be granted to Directors, the Chief Executive Officer and the key executive officers in FY2021.

There are no employees who are substantial shareholders of the Company, or are immediate family members of any Director, the Chief Executive Officer or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2021. Provision 8.2

## Joyas Share Option Scheme Provision 8.3

The Company had in place a share option scheme (the “**Joyas Share Option Scheme 2007**”) which was adopted at a special general meeting of the Company held on 21 December 2007. The duration of the Joyas Share Option Scheme 2007 was 10 years from the date that it was adopted and had accordingly expired and lapsed on 21 December 2017.

Since the commencement of Joyas Share Option Scheme 2007, 41,000,000 share options have been granted (9,000,000 share options have expired in FY2020) by the Company. Participants of the Joyas Share Option Scheme 2007 are set out as follows:

Name of Participant	Aggregate No. of Share Options			Outstanding as at the end of FY2021
	Share Options Granted from 1 January 2021 to 31 December 2021	Granted since commencement of the Scheme to 31 December 2021	Expired since commencement of the Scheme to 31 December 2021	
Cheung King Kwok	–	9,500,000	(9,500,000)	–
Ong Chor Wei	–	3,000,000	(3,000,000)	–
Kwok Chin Phang	–	19,000,000	(19,000,000)	–
Lim Siang Kai	–	9,500,000	(9,500,000)	–

Note: 9,000,000 options which were granted on 25 May 2015 have expired on 24 May 2020. 32,000,000 options which were granted on 19 August 2016 have expired on 18 August 2021.

Since the expiration of the above, the Company has adopted a new share option scheme known as the Joyas Share Option Scheme 2018 (the “**Joyas Share Option Scheme 2018**”) which was approved by shareholders of the Company on 26 April 2018 and is administered by the RC, which comprise Cheung Yin, Francis Lee Fook Wah and Ong Chor Wei.

Please refer to our Circular to Shareholders dated 10 April 2018 for more details of the scheme.

There were no share options granted under the Joyas Share Option Scheme 2018 since its adoption.

Save as disclosed above, there were no other forms of remuneration or other payments and benefits paid by the Company and its subsidiaries, to the Directors and the key executive officers (who are not Directors) for FY2021.

## ACCOUNTABILITY AND AUDIT

### PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

*The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The RMC as at 31 December 2021 comprises the following Directors:

Cheung Yin	(Chairman)
Francis Lee Fook Wah	(Member)

# Corporate Governance Report

The Board ensures that the Management maintains a sound system of risk management and internal controls which is designed to provide a reasonable but not absolute assurance as to the integrity and reliability of the financial information and to safeguard the shareholders' investment and the Group's assets. The Company's external auditors highlighted certain operational and business risks that they became aware of during their audit for FY2021 and have communicated and reported such risks to the AC. The AC and the Management have acknowledged and followed up on the Company's external auditors' recommendations and ensured that the risks highlighted are reasonable and manageable in light of all commercial factors. Provision 9.1

The RMC also assists the Board in overseeing the risk management and internal controls of the Company. The RMC is made up of two (2) Non-Executive Directors with all of them, including the RMC Chairman, being independent. The RMC is scheduled to meet at least once (1) a year, and the RMC has held 11 meetings this year, the purpose of which was to review new loan applications. The RMC is regulated by a written set of terms of reference and performs, *inter alia*, overseeing the Company's risk management framework and policies and reviewing the transactions recommended by the credit committee.

Currently, the major source of revenue for the Group comprises interests from loans and advances. The Board has determined that the recoverability of such loans and advances as well as the interests from such loans and advances which in aggregate amount to approximately HK\$19.5 million is a significant risk which the Company has to take on in order to achieve its strategic objectives and value creation. The Management, the credit committees, the RMC and the Board assesses the recoverability of such loans and advances as well as the interests from such loans and advances regularly. Such assessments include reviewing the financial position of the relevant borrowers. There are also internal control guidelines which the Management has to comply with in assessing the credit to be granted to the relevant borrowers.

The Board considers that the members of the RMC are appropriately qualified to discharge their responsibilities.

In respect of FY2021, the Board has also received assurances ("**Assurance**") from the Chief Executive Officer and the Accounting manager that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and the Group's risk management systems and internal control systems are adequate and effective. Provision 9.2

The Board, with the assistance of the AC and RMC have undertaken an annual assessment to review the Company's business and operation activities in FY2021 on the adequacy and effectiveness of the Group's risk management and internal control systems addressing financial, operational, compliance and information technology risks. The assessment considered issues dealt with in the Company's external auditors' review by the Board during the year together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for FY2021. In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board had reviewed an overview of the risks which the Group are exposed to, as well as an understanding of what counter measures and internal controls are in place to manage them. Catalist Rule 719(1)

For internal audit work relating to FY2021, the Company has appointed David Ho & Company, a member of the Institute of Internal Auditors in Hong Kong on 5 October 2021 to (i) review the system of internal controls of both the Company and the principal subsidiary, CCIG Financial Services Limited ("CCIG"), the only principal operating subsidiary of the Group, to determine if they are adequate and effective; (ii) review the CCIG internal control system and procedures for compliance in respect of the Company's financing business, reporting of summary of loans and collection status to management and Board of CCIG and the Company; (iii) select one case from the loan portfolio of CCIG that has not been selected in prior years for compliance test with the internal control system with comments, if any.

The internal auditor work carried out by David Ho & Company is guided by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. David Ho & Company communicated their findings to the Management over the course of the internal audit. David Ho & Company has completed its internal audit work relating to FY2021 and did not find any major shortcomings in their review which suggest that the internal controls of the Group's financing business are inadequate.

In the course of the annual statutory audit of the financial statements, the external auditors also carry out a review of the effectiveness of the Group's internal controls system. The Company works with the external auditors on their recommendations to improve the internal controls system. Catalist Rule 1204(10)

Based on the internal controls established and maintained by the Group, works performed by the internal and external auditors and reviews performed by management, various Board Committees and the Board, the Board is of the opinion, with the concurrence of the AC and RMC, that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2021.

# Corporate Governance Report

## PRINCIPLE 10: AUDIT COMMITTEE

The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC as at 31 December 2021 comprises the following Directors:

Provision 10.2

Cheung Yin	(Chairman)
Ong Chor Wei	(Member)
Francis Lee Fook Wah	(Member)

The AC is made up of three (3) Non-Executive Directors with the majority of them, including the AC Chairman, being independent. The AC is scheduled to meet at least three (3) times a year and had convened three (3) meetings on 25 February 2021, 13 August 2021 and 10 November 2021. The members of the AC have confirmed that they have recent and relevant accounting or related financial management expertise and experience.

The AC is regulated by a written set of terms of reference and performs, *inter alia*, the following functions:

Provision 10.1

1. reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Group's financial performance before their submission to the Board;
2. reviewing and reporting to the Board at least annually the overall adequacy and effectiveness of the Group's material internal controls, including accounting, financial, operational, compliance and information technology controls, and risk management systems;
3. reviewing at least annually the adequacy and effectiveness of the Company's internal audit function where applicable. Please refer to Principal 9 for explanations on the internal audit conducted in FY2021;
4. reviewing the assurances from the Chief Executive Officer and the Accounting Manager on the financial records and financial statements;
5. reviewing the audit plans of the Company's external auditors, the results of their examination, their evaluation of the system of internal accounting control and audit cost effectiveness;
6. reviewing the co-operation given by the Group's officers to the Company's external auditors;
7. nominating or recommending the nomination of the Company's external auditors and internal auditors for appointment, re-appointment or removal to the Board for consideration;
8. recommending the remuneration and terms of engagement of the Company's external auditors and internal auditors to the Board for consideration;
9. reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
10. reviewing the independence and objectivity of the Company's external auditors at least annually;
11. reviewing interested person transactions; and
12. reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Management reviews the Company's business and operational activities regularly to identify areas of significant business, operational and compliance risks, and employs a wide range of measures to control these risks, including financial, operational, compliance and information technology controls. The Management has embedded the risk management process and internal controls into all business operating procedures, where it becomes ultimately the responsibility of all business and operational managers. All findings or significant matters, if any, are highlighted to the Board and the AC for their review, and the Board monitors and reviews the adequacy and effectiveness of the internal controls and risk management policies.

The Company also has, pursuant to Catalyst Rule 1204(18B), in place a whistle-blowing framework, monitored by the AC, where employees of the Group or any other person ("**Concerned Persons**") may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence to the AC, who is tasked to maintain oversight and monitoring of all whistleblowing report.

Concerned Persons may, in confidence, submit whistle-blowing reports to [whistleblow-joyas@upbnet.com.hk](mailto:whistleblow-joyas@upbnet.com.hk). The Company has designated an independent function to investigate whistleblowing reports made in good faith. Depending on the nature of the concern raised, an investigation may be conducted involving one or more the following persons – the AC, internal auditors, external auditors or the forensic professionals and if necessary, reports will be made to the police or the Commercial Affairs Department.

The Company ensures that the identity of the whistle-blower is kept confidential and is committed to the protection of the whistle-blower against detrimental or unfair treatment.

The whistle-blowing framework (including the procedures for raising concerns) has been clearly communicated to employees. In FY2021, the AC did not receive any whistle-blowing report.

The AC assesses the independence of the Company's external auditors annually. The aggregate amount of fees paid to the Group's external auditors Baker Tilly TFW LLP and H.C. Wong & Co., Hong Kong, for FY2021 was:

	HK\$'000
Audit fees	605
Non-audit fees	–
Total fees	<u>605</u>

# Corporate Governance Report

There were no non-audit fees paid in FY2021.

The AC is satisfied with the independence of the Company's external auditors and had accordingly recommended the re-appointment of Baker Tilly TFW LLP as the Company's external auditor.

In addition to the above, the AC has explicit authority to investigate any matter within its terms of reference, full access to and cooperation by the Management, full discretion to invite any Director or key executive to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC has express power to commission investigations into any matter, which has or is likely to have material impact on the Group's operating results or financial results.

The Company's external auditors also have full access to the AC.

The Board considers that the members of the AC are appropriately qualified to discharge their responsibilities. At least two (2) members, including the AC Chairman, have accounting or related financial management expertise and experience. None of the AC members was a previous partner or director of the Company's existing external auditing firm or existing external auditing corporation within the last two years and none of the AC members hold any financial interest in the Company's existing external auditing firm or existing external auditing corporation.

Provision 10.3

During FY2021, the AC received briefings from the Company's external auditors on key changes to International Financial Reporting Standards and updates from the Company Secretary on the amendments to the Catalyst Rules of the SGX-ST. This was done to keep the AC members abreast of changes or issues in relation to regulatory requirements, corporate governance issues and accounting standards, which have a direct impact on the review of Company's internal control process and significant financial reporting issues.

Please refer to Principle 9 for disclosures relating to the internal audit conducted in FY2021.

David Ho & Company primarily reports to the Audit Committee and administratively to the Chief Executive Officer. David Ho & Company also has unrestricted access to the documents, records, properties and personnel of the Company and of the Group, including access to the AC.

Provision 10.4,  
Catalist Rule  
719(3)

The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience. The internal audit work carried out by David Ho & Company is guided by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. David Ho & Company communicated their findings to the Management over the course of the internal audit. Key areas for improvements were highlighted and prioritised. David Ho & Company has completed its internal audit work relating to FY2021 and did not find any major shortcomings in their review which suggest the internal controls of the Group's financing business are inadequate. AC has noted that the internal audits were conducted in an effective manner and the necessary co-operation had been provided by the Management to enable the independent auditor to perform the functions. Accordingly, the AC is satisfied that the internal auditor is independent, effective, adequately resourced and has appropriate standing within the Company to discharge its duties effectively.

The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

Catalist Rule  
1204(10c)

For FY2021, the AC met once with the Company's external auditors and internal auditors without the presence of the Management. The AC shall review all non-audit services provided by the Company's external auditors and shall keep the nature and extent of such services under review to balance the maintenance of objectivity and independence. For FY2021, there were no non-audit services performed by the Company's external auditors. The Company confirms that it complies with Rules 712 and 715 of the Catalyst Rules of the SGX-ST. The financial statements of CCI Financial Services Limited, Hong Kong Silver Basic Group Limited and Asia Growth Group Limited (collectively, the "**HK Subsidiaries**") have been audited by Baker Tilly TFW LLP for the purpose of consolidating the financial statements of the Group. In FY2021, the Company engaged H.C. Wong & Co. to perform an audit on its HK Subsidiaries for statutory and tax related purposes. In relation to the HK Subsidiaries, the Company, the AC and the Board are satisfied that the appointment of H.C. Wong & Co. as the Company's external auditors for the HK Subsidiaries would not compromise the objectivity, standard and effectiveness of the audit of the Group.

Provision 10.5

The Board (with the concurrence of the AC), taking into consideration the Assurance, and the work conducted by the internal auditor for FY2021, the Group's internal control systems (including financial, compliance, operational and information technology control) as well as risk management systems are adequate and effective for FY2021.

# Corporate Governance Report

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

*The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Company recognises the need to communicate regularly, effectively and fairly with shareholders on all material matters affecting the Group and does not practice selective disclosure. In this respect, the Board presents a balanced and understandable assessment of the Group's performance, position and prospects and such responsibility extends to price sensitive announcements, including half-year, quarterly and full-year results and reports to regulators, if any, all of which are released through SGXNET. All press releases are announced through SGXNET before they are published. Where there inadvertent disclosure made to a selected group, the Company ensures that the same is disclosed publicly to all other shareholders as soon as practicable. To-date, there are no such inadvertent disclosures.

The Company may also hold media meetings on significant events.

All shareholders of the Company receive the Annual Report and notice of AGM of the Company which are despatched at least 15 days before the AGM of the Company. If necessary, a notice of general meeting, together with explanatory notes or a circular, is despatched to all shareholders of the Company on items of special business at least 21 days before the general meeting. Due to the current Covid-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, the forthcoming AGM of the Company will be held by way of electronic means and Shareholders will not be able to attend the AGM in person. To enable Shareholders to participate in and vote effectively at the forthcoming AGM to be held by way of electronic means, the Company has set out detailed information on arrangements relating to attendance at the AGM, submission of questions in advance of the AGM, addressing of substantial and relevant questions at the AGM, and voting procedures for the forthcoming AGM in the Company's announcement dated 12 April 2022. Provision 11.1

The detailed voting results, including the total number of votes cast for or against each resolution tabled, will be announced immediately at the general meetings and via SGXNET.

There are separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. Provision 11.2

Insofar as possible, all Directors attend AGMs and general meetings of the Company to address such questions. The Company's external auditors, legal advisors (if necessary), the AC Chairman, the NC Chairman and the RC Chairman are also present to assist the Directors in addressing such questions. Provision 11.3

The Directors' attendance at the general meetings of the Company held in FY2021 are set out in the table below:

Name of Director	Annual General Meeting		Extraordinary General Meeting	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Cheung King Kwok	1	–	N.A.	N.A.
Ong Chor Wei	1	1	N.A.	N.A.
Lau Chor Beng	1	–	N.A.	N.A.
Kwok Chin Phang	1	1	N.A.	N.A.
Lim Siang Kai	1	1	N.A.	N.A.
Cheung Yin	1	1	N.A.	N.A.
Vincent Cheung Chun Wai	1	–	N.A.	N.A.
Francis Lee Fook Wah	1	–	N.A.	N.A.

Provision 11.4

The Company's Bye-Laws allow a member of the Company to appoint one (1) or two (2) proxies to attend and vote instead of the member. The Company's Bye-Laws also allow a shareholder of the Company which is a corporation providing nominee or custodial services to shareholders of the Company, to appoint any number of proxies (to the extent permitted by law) to attend and vote at the same general meeting, notwithstanding that such number exceeds two. Voting *in absentia* and email may only be possible following careful study to ensure the integrity of the information and authentication of the identity of members through the web is not compromised.

The Company records minutes of all AGMs of the Company and substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and the Management are also recorded. Minutes of meetings are made available to shareholders via SGXNet no later than 1 month from the date of the meeting. Provision 11.5

The Company has a corporate website at "[joyasintl.com](http://joyasintl.com)". The Company's corporate website is a key source of information for the investment community. It contains a wealth of investor-related information on the Company, including where available its business, contact details, financial results, annual reports, press releases, minutes of the general meetings of shareholders and announcements which the Company release via SGXNET from time to time.

The Company does not have a dividend policy. No dividend pay-out is made for FY2021 as the Company was not profitable for FY2021. The Board would consider establishing a dividend policy at the appropriate time. Provision 11.6

Catalist Rule  
704(23)

# Corporate Governance Report

## PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

*The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

Shareholders are also given the opportunity to express their views and ask questions to the Board regarding the Group and its business at AGMs and general meetings of the Company. Provision 12.1

Apart from corporate website, announcements, the Annual Reports and AGMs of the Company, the Company also regularly conveys pertinent information, gathers views or inputs from the shareholders and the media, and addresses shareholders' concerns. In addition, the Company proactively engages shareholders through analyst/media briefings, investor conferences and road shows. At these events, matters pertaining to business strategy, operational and financial performance and business prospects were shared by the senior management team. In disclosing information, the Company strives to be as descriptive, detailed and forthcoming as possible. The Company meets with institutional and or retail investors at least once a year at the AGM of the Company where required.

The Company currently does not have a dedicated investor relations team or an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. Provision 12.2  
The investor relations role is currently performed by the Directors who actively engage and promote regular, effective and fair communication with shareholders. The Board would consider establishing an investor relations policy at the appropriate time and the appointment of a professional investor relations officer to manage the investor relations role should the need arise. The shareholders can contact the Company via channels such as (a) email to the Company under the corporate website; (b) writing to the Company and (c) meetings with Directors during the AGM. Provision 12.3

## MANAGING STAKEHOLDERS RELATIONSHIP

### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

*The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. Provision 13.1

The Company has implemented appropriate channels to identify and engage with its material stakeholders. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business. Such arrangements will include maintaining the corporate website, which is kept updated with current information to facilitate communication and engagement with stakeholders.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders such as through the corporate website. The Company will invite the stakeholders to write to corporate website wherein the senior management will address the stakeholders' queries as appropriate.

The Company has a corporate website to keep the stakeholders updated of developments as disclosed under Provision 13.1 above and will be a platform to answer queries from stakeholders through the corporate website. In FY2021, the Company has maintained the Company's website to keep the stakeholders updated of developments as disclosed under Provision 12.1 above and was available to answer queries from stakeholders through the corporate website. Provision 13.2  
Provision 13.3

# Corporate Governance Report

## DEALINGS IN SECURITIES

In compliance with Rule 1204(19) of the Catalyst Rules of the SGX-ST, the Company has adopted and implemented an internal code on dealing in securities.

The Company, Directors and all officers are prohibited from dealing in the Company's securities at least one (1) month before the announcement of the Company's half-year and full-year result and two (2) weeks before the announcement of the Company's quarterly results (with effect from Q3 2021) until the date of the release of the announcement, or if they are in possession of unpublished price sensitive information of the Company. In addition, Directors, key executive officers and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Directors and all officers are required to notify the Company of any dealings in the Company's securities (during the open window period) and within two (2) business days of the transaction(s). At all times, the Directors and all officers are aware that it is an offence to deal in the Company's securities and those of other companies when they are in possession of unpublished price-sensitive information in relation to those securities and that the law on insider trading applies to them at all times. As such, the Directors and all officers ensure that their dealings in securities, if any, do not contravene the law.

The internal code on dealing in securities also ensures that the Company, Director or officer does not deal in the Company's securities on short-term considerations.

The Directors and all officers are periodically reminded of all requirements of the code of conduct and all applicable laws via the regular circulation of internal memoranda. The internal memoranda ensures that the Directors and all officers are aware that they are subject to requirements set out in the various applicable laws. Each Director and officer is required to submit a declaration annually that he is in compliance with and has not breached the code of conduct.

## MATERIAL CONTRACTS

There were no material contracts or loans entered into by the Company or any of its subsidiaries involving the interests of any Director, the Chief Executive Officer or controlling shareholders of the Company, either still subsisting at the end of FY2021 or if not subsisting, were entered into during FY2021.

## RISK MANAGEMENT

The Management oversees the Company's risk management policies and processes and reports to the Board on areas of significant risk to the Company's operations. In addressing and managing the risks faced by the Company, the Management is also supported by the AC and RMC.

The Company seeks to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC and RMC.

## INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transaction with interested persons within the definition of Chapter 9 of the Catalyst Rules of the SGX-ST and has in place procedures for review and approval of all interested person transactions.

The Group has not obtained a general mandate from shareholders for interested person transactions ("IPT") pursuant to Rule 920 of the Catalyst Rules of the SGX-ST.

There were no IPTs with value of S\$100,000 and more entered into during FY2021.

## NON-SPONSORSHIP FEES

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2021.

# Sustainability Report

for the Financial Year ended 31 December 2021

This Sustainability Report describes the Group's sustainability performance for the period from 1 January 2021 to 31 December 2021 ("FY2021"). The report focuses on environmental, social and governance ("ESG") factors, and has been prepared in accordance with Rule 711B and Practice Note 7F: Sustainability Reporting Guide as specified in the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and reference has been made to the internationally recognised Global Reporting Initiative (GRI) Standards which represent the global best practice for reporting on a range of economic, environmental and social impact. We referenced the GRI Standard with the understanding of looking at how the business of the Group impacts not just investors, but also the environment, employees, local communities and other stakeholders.

The Group is committed to maintaining our operations in a manner that is economically, socially and environmentally sustainable while balancing the interest of our various stakeholders, including our shareholders and investors, employees, customers etc. The following sections discuss the material ESG factors we have identified through discussions conducted with key management personnel, which have been reviewed and validated by the Directors. Our Group's business comprises financial services and nickel ore trading which are based in Singapore and Hong Kong. Since FY2017, our nickel ore trading business has been dormant. During FY2021, we were principally engaged in the provision of financial services. As such, this Sustainability Report is prepared based on the material ESG factors relating to our financing business.

<u>Sustainability Focus Area:</u>	<u>Material Factor:</u>
Environmental	Energy Consumption
Social Responsibility	Talent Retention; Training & Education
Governance	Anti Corruption; Whistle-blowing; Product and Responsibility Service

## 1. Environmental

### a. Energy Consumption

As we are principally engaged in the provision of financial services, our business is office-based and electricity consumption serves as a main source of energy usage in our office. In FY2021, our electricity consumption was 29KWh/m<sup>2</sup> of our total occupied area, meeting our target set of maintaining the electricity intensity of 34KWh/m<sup>2</sup> of our total occupied area. Moving forward, we target to maintain the current energy intensity for the financial year ended 31 December 2022 ("FY2022").

We also encourage our employees to travel by public transport as often as practicable, in order to reduce contribution to carbon emissions.

### b. Going Green in the Office

We strive to create a sustainable and environmentally-friendly office. Running an environmentally-friendly business allows us to reduce negative impacts on the environment. It also benefits our Company through cost-cutting when materials are being re-used, and as a whole, providing a better workplace for our employees. Green policies implemented in our office include, among others:

- adopting a paperless policy in the day-to-day operations of the business by using e-mail to communicate, recycling used paper and by printing on both sides of a sheet of paper. As a result of our paperless office policy and in particular, our strict policy on printing only when necessary, we do not consume a significant amount of office paper, and accordingly, the amount of greenhouse gases generated for the manufacture and the disposal of paper is minimised; We have set a target for reduction in paper consumption improvement by 5% for FY2022. For FY2021, our paper consumption reduced by approximately 5% from 82 rims of papers in FY2020 to 78 rims of papers in FY2021. The consumption was higher than expected due to higher amount of loan documents which required to be printed.
- turning-off electrical appliances and lighting when not in use after office hours;
- reducing waste generated by re-using, recycling and replacing materials;
- using energy-efficient and energy-saving electrical appliances; and
- using LED lights to save electricity on lighting.

Generally, we only dispose materials that we are unable to re-use and the disposal is handled properly by our property management providers. Any compulsory separation of waste would be done before disposal. Materials that are recyclable, such as used printer cartridges, carton boxes, and old newspapers are separated and collected by appropriate parties respectively for recycling. We strive to maintain the aforementioned green policies in the future and will seek improvements, whenever practicable.

Our strategy in the short term is to maintain our electricity consumption and to reduce our paper consumption record in the coming years, and monitor the effectiveness of the various environmentally-friendly measures implemented by our Group. In the long term, we would maintain our lean business model so that resource consumption can be minimised at the source, and to explore other management models, innovations and technological advancements so that we could further minimise the resource consumption, whenever practicable.

## 2. Social Responsibility

### a. Talent Retention

Our people play a crucial role in the growth of our business. The retention of a diligence workforce creates a positive work environment, and strengthens employees' commitment to the organisation.

In FY2021, our employee turnover was zero. We target to maintain zero employee turnover for FY2022. The Company plans to achieve this by increasing its revenue stream and providing better employee welfare.



# Sustainability Report

for the Financial Year ended 31 December 2021

## b. Training & Education

In a dynamic business environment, we recognise the need to continuously upgrade our employees' skills in order to equip them with the tools necessary for growth. Employees' training and development remain our key priorities. Our employees are encouraged to join continuing professional development ("CPD") programs conducted by external parties in order to improve job performance and enhance career development. We understand the need of our employees to attend such programs, and we have adjusted their workloads to enable them to attend such programs, whenever appropriate and practicable. As a means for our employees to continually develop and to improve their expertise, we endeavour to arrange at least five (5) CPD training hours per employee for employees every year. So far, we have achieved the targeted goal through organising various training courses for our employees in FY2021, meeting our target set in FY2021 of the minimal five (5) CPD training hours per employee. We strive to maintain the minimum five (5) CPD training hours per employee for our employees for FY2022.

## c. Employee Welfare

We are believers of work-life balance. We adopt an annual leave policy with entitlement based on the length of service of each employee. Every employee also enjoys a minimum of 21 days paid annual leave. We also encourage employees to work from home when there are circumstances which warrant them to stay home.

## d. Labour Standards

We comply with all relevant employment laws in all countries that we operate in, and in particular, Singapore and Hong Kong. We carry out detailed pre-employment background checks procedures and verifications on identity documents on every candidate. For FY2021, there was no incident of non-compliance with labour standards, in line with the target set in FY2021. We target to maintain this performance in FY2022.

## 3. Governance

### a. Anti-Corruption

We take great care to comply with anti-corruption and money-laundering laws and guidelines. As we are in the financing business, we are fully aware of the risks that we face in combating corruption and money-laundering. Our compliance officer regularly briefs all our employees on all relevant laws and best-practices on these issues so that we stay updated on such matters.

For FY2021, there were no fines or non-monetary sanctions for non-compliance with laws and regulations, in line with the target set in FY2021. There have also been no reported incidents of corruption during the reporting period. It is the Group's goal to maintain zero incidents of corruption for FY2022 and in the years following.

### b. Whistle-blowing Policy

The Company also has in place a whistle-blowing framework, endorsed by the AC, where employees of the Group or any other person ("**Concerned Persons**") may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence to the AC. Concerned Persons may, in confidence, submit whistle-blowing reports to [whistleblow-joyas@upbnet.com.hk](mailto:whistleblow-joyas@upbnet.com.hk). This arrangement facilitates independent investigation of such matters for appropriate resolution. In FY2021, the AC did not receive any whistle-blowing report.

### c. Product and Service Responsibility

As a financial services provider, we are aware of the intricacies of our services and products. We endeavour to provide thorough explanations on our services and products when engaging our clients to minimise the chances for possible misunderstandings and/or misinterpretations, and to comply with all relevant laws and regulations.

Occasionally, some misunderstandings and/or misinterpretations may still arise as our clients may have different assumptions or expectations that we could not anticipate. In such circumstances, we will assure our clients that their concern is understood by our employees and we would try our best to address the problems raised. Our reputation is one of our most valuable assets, and any misunderstanding and/or misinterpretations between us and our clients may potentially damage our reputation and may increase the regulatory risk we face; avoiding any misunderstanding and/or miscommunication in the communication between us and our clients is therefore one of the top priorities of our operations.

In addition, our effort and emphasis in communication with clients distinguishes us from our competitors in that our clients are able to rely on our services and products with assurance. This gives us an edge as we envision that the regulatory framework may impose more stringent requirements on our businesses, particularly on transparency. We are confident that we will be prepared for such requirements, and we continue to evolve to stay ahead of our competitors.

### d. Protection of Intellectual Property Rights

We respect Intellectual Property ("**IP**") rights owned by other parties, organizations and/or individuals. In particular, only licensed software is used on our Company's computers. We also pay attention not to breach any IP rights when preparing marketing materials and reports; for example, before utilising materials prepared by a third-party in our services and products, we would first obtain the third-party's permission and/or consent. In the unlikely event that there is any breach in IP rights, the relevant materials would be removed immediately.

### e. Data Protection and Privacy

Data protection and privacy are crucial to our business. As a financial services provider, we do collect sensitive personal and/or corporate information, but we do so only insofar as it is necessary for us to create value for our clients. Further, all personal and/or corporate information are used exclusively for the business commissioned by our clients and would not be used for any other purposes unless explicit prior consent is obtained from our clients.

We take utmost care in protecting the information and data we collect from our clients; in fact, our business nature dictates that we treat all the proprietary information used during our daily operations with strict confidence. Our computer system is maintained by reputable Information Technology contractors, and access to information and data is restricted to personnel handling the relevant project at the relevant time. An emergency plan for handling possible information and data leak is also in place and is reviewed from time to time.

# Sustainability Report

*for the Financial Year ended 31 December 2021*

#### 4. Board Statement

Our Board considers sustainability issues to be an integral part of our strategic formulation. In the preparation of this Sustainability Report, our Board has reviewed and considered amongst others, the material ESG factors discussed in this Sustainability Report, and has overseen the management in monitoring these material ESG factors.

We hope that the information disclosed in this Sustainability Report, read together with the information in other sections of the Annual Report, will provide the reader with a holistic view of the operations of our Group. We will strive to maintain the standards of the various ESG factors reported and improve them, in accordance with the business activities of the Group, from time to time.

# Shareholding Statistics

As at 18 March 2022

Authorised share capital	- HK\$100,000,000
Issued and fully paid-up	- HK\$22,137,770
Issued and fully paid-up shares excluding treasury shares	- 2,213,776,973
Class of shares	- Ordinary shares of HK\$0.01 each
Voting rights	- 1 vote per ordinary share
Treasury shares	- Nil
Subsidiary holdings	- Nil

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 18 March 2022, 22.82% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist issued by the Singapore Exchange Securities Trading Limited is complied with.

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7	0.76	192	0.00
100 – 1,000	154	16.67	147,553	0.01
1,001 – 10,000	253	27.38	1,285,800	0.06
10,001 – 1,000,000	435	47.08	107,622,616	4.86
1,000,001 AND ABOVE	75	8.11	2,104,720,812	95.07
<b>TOTAL</b>	<b>924</b>	<b>100.00</b>	<b>2,213,776,973</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	JOYAS INVESTMENTS GROUP LIMITED	842,951,466	38.08
2	REACH WIN LIMITED	560,000,000	25.30
3	CLOUD NETWORK HOLDINGS LIMITED	300,000,000	13.55
4	PHILLIP SECURITIES PTE LTD	49,865,800	2.25
5	CHUANG FU-YUAN	37,787,300	1.71
6	RAFFLES NOMINEES (PTE.) LIMITED	30,982,400	1.40
7	LIM MUI CHOO	21,000,000	0.95
8	DBS NOMINEES (PRIVATE) LIMITED	19,499,400	0.88
9	IFAST FINANCIAL PTE. LTD.	15,865,100	0.72
10	KOH KAH BENG (XU JIANG)	15,179,000	0.69
11	TAY KIM CHAI JOHNSON	14,000,000	0.63
12	LOO BEE KENG	13,361,600	0.60
13	LIN LIXIN	10,850,000	0.49
14	TAN LYE SENG	9,671,200	0.44
15	SHEN FUYU	8,400,000	0.38
16	LIN YANTING	7,400,000	0.33
17	LIM & TAN SECURITIES PTE LTD	6,550,000	0.30
18	ONG PENG WAI (WANG BINGWEI)	6,000,000	0.27
19	CITIBANK NOMINEES SINGAPORE PTE LTD	5,962,700	0.27
20	UOB KAY HIAN PRIVATE LIMITED	5,670,000	0.26
		<b>1,980,995,966</b>	<b>89.50</b>

# Shareholding Statistics

As at 18 March 2022

## SUBSTANTIAL SHAREHOLDERS

	No. of Shares			
	Direct Interest	%	Deemed Interest	%
Joyas Investments Group Limited <sup>(1)</sup>	842,951,466	38.08	–	–
Lau Chor Beng, Peter <sup>(2) (3) (5)</sup>	–	–	842,951,466	38.08
Reach Win Limited <sup>(6) (7)</sup>	560,000,000	25.3	–	–
Delton Group Limited <sup>(6)</sup>	–	–	560,000,000	25.3
Cavendish Limited <sup>(7)</sup>	–	–	560,000,000	25.3
Ong Chor Wei <sup>(6)</sup>	5,600,000	0.25	560,000,000	25.3
Yung Fung Ping <sup>(7)</sup>	–	–	560,000,000	25.3
Cloud Network Holdings Limited <sup>(8)</sup>	300,000,000	13.55	–	–
Long Zhenhua <sup>(8)</sup>	–	–	300,000,000	13.55

### Notes:-

- (1) The shareholders of Joyas Investments Group Limited are as follows:-

	Number of shares in Joyas Investments Group Limited	%
Lau Chor Beng, Peter <sup>(2) (3) (5)</sup>	591	59.10
Cheung Wai Hung, Danny <sup>(3)</sup>	154	15.40
Uprich Holdings Limited <sup>(4)</sup>	154	15.40
Chan Shui Ki	45	4.50
Lau Chor Wing <sup>(5)</sup>	36	3.50
Lau Chor Ming, Johnny <sup>(5)</sup>	20	2.00
	1,000	100.00

- (1) Lau Chor Beng, Peter, holds 59.10% interest in Joyas Investments Group Limited, is deemed to have an interest in the shares of the Company held by Joyas Investments Group Limited.
- (2) Lau Chor Beng, Peter was the Executive Director and Managing Director of the Company. He has relinquished his role as the Chairman of the Board on 23 March 2018 and resigned from the role of Executive Director and Managing Director of the Company with effect from 30 April 2021.
- (3) Cheung Wai Hung, Danny is the brother-in-law of Lau Chor Beng, Peter. He was a director of the Company. He resigned from the Board on 15 November 2015.
- (4) Ong Chor Wei, the Non-Independent Non-Executive Director and Deputy Chairman of the Company, holds 50% interest in Uprich Holdings Limited, a BVI investment holding company. The remaining 50% interest in Uprich Holdings Limited is held by Mr Wong Wai Shan. Both Mr Ong and Mr Wong are also directors of Uprich Holdings Limited. Mr Ong and Mr Wong are not related to each other or other Directors of the Company.
- (5) Lau Chor Wing and Lau Chor Ming, Johnny are brothers of Lau Chor Beng, Peter.
- (6) Delton Group Limited is deemed interested in the Shares held by Reach Win Limited of which Delton Group Limited is a controlling shareholder. Mr Ong Chor Wei is deemed interested in the Shares held by Reach Win Limited, of which Mr Ong Chor Wei is a director, and he holds 100% shareholding interest in Delton Group Limited. Mr Ong owns 5,600,000 shares held by his nominee, Bank J. Safra Sarasin Ltd, Hong Kong Branch.
- (7) Cavendish Limited is deemed interested in the Shares held by Reach Win Limited of which Cavendish Limited is a controlling shareholder. Ms Yung Fung Ping is deemed interested in the Shares held by Reach Win Limited, of which Ms Yung Fung Ping is a director and she holds 100% shareholding interest in Cavendish Limited.
- (8) Long Zhenhua is deemed interested in the Shares held by Cloud Network Holdings Limited as Long Zhenhua directly holds 26.65% and indirectly holds 73.55% (through Hunan Yunpai Technology Co. Ltd. which he is the sole shareholder) of the total issued and paid-up share capital of Shenzhen Tianqu Holdings Limited which is the sole shareholder of the Shenzhen Better Cloud Network Technology Co. Ltd. which has a controlling interest in Cloud Network Holdings Limited.

# Notice of Annual General Meeting

**Notice is hereby given** that the Annual General Meeting of Joyas International Holdings Limited (the “**Company**”) will be held by way of electronic means on Thursday, 28 April 2022 at 2.00 p.m. (Singapore Time) for the following purposes:

## As Ordinary Business

1. To receive and adopt the Report of the Directors and the Published Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors’ report thereon. **(Ordinary Resolution 1)**
2. To approve the payment of Directors’ fees of HK\$396,000 for the financial year ending 31 December 2022 (2021: HK\$447,140). **(Ordinary Resolution 2)**
3. To re-appoint Baker Tilly TFW LLP as the Company’s Auditors for the financial year ending 31 December 2022 and to authorise the Directors of the Company to fix their remuneration. **(Ordinary Resolution 3)**
4. To re-elect Ms Cheung Yin who is retiring pursuant to Bye-Law 104 of the Company’s Bye-Laws. **(Ordinary Resolution 4)**  
*Ms Cheung Yin will, upon re-election as a Director of the Company, remain as Independent Non-Executive Chairman, Chairman of the Audit Committee, Nominating Committee and the Remuneration Committee. The Board considers Ms Cheung Yin to be independent for the purposes of Rule 704(7) of the Catalist Rules.*
5. To re-elect Mr Vincent Cheung Chun Wai who is retiring pursuant to Bye-Law 107(A) of the Company’s Bye-Laws. **(Ordinary Resolution 5)**  
*Mr Vincent Cheung Chun Wai will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Office.*
6. To re-elect Mr Francis Lee Fook Wah is retiring pursuant to Bye-Law 107(A) of the Company’s Bye-Laws. **(Ordinary Resolution 6)**  
*Mr Francis Lee Fook Wah will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director, member of the Audit Committee, Nominating Committee and the Remuneration Committee. The Board considers Mr Francis Lee Fook Wah to be independent for the purposes of Rule 704(7) of the Catalist Rules.*
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## As Special Business

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

### 8. Authority to allot and issue Shares and/or Instruments

That, pursuant to the Companies Act of Bermuda, the Company’s Bye-Laws and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

- (a)
  - (i) allot and issue shares in the capital of the Company (“**Shares**”) (whether by way of rights, bonus or otherwise); and/or
  - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require new Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, allot and issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated in accordance with sub-paragraph (2) below, of which the aggregate number of new Shares to be allotted and issued other than on a *pro rata* basis to existing shareholders of the Company (including new Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated in accordance with sub-paragraph (2) below;
- (2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of new Shares that may be allotted and issued under sub-paragraph (1) above, the percentage of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

Adjustments in accordance with sub-paragraphs (i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

# Notice of Annual General Meeting

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Bye-Laws for the time being; and
- (4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.  
[See Explanatory Note (i)]

**(Ordinary Resolution 7)**

By Order of the Board of Directors of  
**Joyas International Holdings Limited**

Vincent Cheung Chun Wai  
Executive Director and Chief Executive Officer

12 April 2022  
Singapore

## Explanatory Notes:

- (i) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company to allot and issue new Shares, make or grant Instruments convertible into Shares and to allot and issue new Shares pursuant to such Instruments. The aggregate number of new Shares to be allotted and issued pursuant to Ordinary Resolution 7 (including new Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 7) shall not exceed 100% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 7 is passed. For allotting and issuing of new Shares, making or granting Instruments convertible into Shares and allotting and issuing new Shares pursuant to such Instruments other than on a *pro rata* basis to existing shareholders of the Company, the aggregate number of new Shares to be allotted and issued pursuant to Ordinary Resolution 7 (including Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 7) shall not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 7 is passed. The authority conferred by Ordinary Resolution 7 will, unless previously revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

## Notes:

- Printed copies of this Notice of Annual General Meeting and the Annual Report for the financial year ended 31 December 2021 (the "FY2021 Annual Report") will be sent to members. This Notice of Annual General Meeting and the FY2021 Annual Report may also be accessed at the Company's website at the URL <https://www.joyasint.com/announcement-2022> respectively. This Notice of Annual General Meeting and the FY2021 Annual Report are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
- Alternative arrangements relating to attendance at the Annual General Meeting of the Company via electronic means (including arrangements by which the proceedings of the Annual General Meeting of the Company may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of the Annual General Meeting of the Company, addressing of substantial and relevant comments, queries and/or questions before the Annual General Meeting of the Company and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting of the Company, are set out in the Company's accompanying announcement dated 12 April 2022. This announcement may be accessed at the Company's website at the URL <https://www.joyasint.com/announcement-2022> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
- Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the Annual General Meeting of the Company in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting of the Company in accordance with the instructions on the Proxy Form if such member wishes to exercise his/her/its voting rights at the Annual General Meeting of the Company.** The Proxy Form will be sent to members and may also be accessed at the Company's website at the URL <https://www.joyasint.com/announcement-2022> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
- The Chairman of the Meeting, acting as proxy, need not be a member of the Company.
- The Proxy Form must be submitted to the Company in the following manner:
  - if submitted by post, be lodged with the Company at 35 Selegie Road #10-25 Singapore 188307; or
  - if submitted by way of electronic means, be submitted via email to the Company at [admin@joyasint.com](mailto:admin@joyasint.com),

in either case, by 2.00 p.m. on Tuesday, 26 April 2022. A member who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **In view of the current COVID-19 restriction orders and the related safe distancing measures in Singapore which may make it difficult for members to submit the completed Proxy Forms by post, members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

## Personal data privacy:

By submitting the Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting of the Company and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting of the Company and/or any adjournment thereof, and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting of the Company and/or any adjournment thereof, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

